

Herald Tribune

Published with The New York Times and The Washington Post

28,468 PARIS, FRIDAY, JULY 26, 1974 Established 1887



DEBATE OPENED—Members of the House Judiciary Committee begin their nationally televised hearing.

Solemnity, Emotion, Klieg Lights

House Inquiry Enters Public Phase...

By R.W. Apple Jr.

WASHINGTON, July 25 (AP).—The public phase of the impeachment proceedings against President Nixon began last night as the House Judiciary Committee opened its nationally televised hearing.

At 10 p.m., the hearing opened with a prayer by the chaplain, the Rev. James M. McHugh, Jr., of the Roman Catholic Archdiocese of New York. The hearing was presided over by the committee's chief counsel, Johnnie W. Walters, Jr., of the House of Representatives.

...as Panel Debates Impeachment

WASHINGTON, July 25 (AP).—Six Republicans, formerly listed as undecided, indicated today that they now would support the impeachment of President Nixon as the House Judiciary Committee moved into the second day of its nationally televised debate.

The panel's second-ranking Republican, Rep. Robert McClell of Illinois, told newsmen that he was drafting an article of impeachment against Mr. Nixon, charging that he had violated the Constitution's requirement that "he shall take care that the laws be faithfully executed."

Other members spoke following the chairman, and some offered vivid moments—Rep. James E. Eastland, D-Miss., dramatically demanding that the witnesses against President Nixon be sworn in. Rep. William French Buckley, Jr., D-N.Y., speaking out a staccato criticism of Mr. Nixon as "unstable," "profane," "devious," "Tom Hallack," R-Md., trying to compress his evidently national views into a scant minutes.

At mid-afternoon, the proceedings were abruptly recessed because of a telephoned warning that a bomb was hidden in some television equipment. A television newsman said that police had searched the gear and no explosives were found. Two bomb threats were received during last night's session.

Kissinger Sees No Change in Nixon Policy

WASHINGTON, July 25 (AP).—Secretary of State Henry Kissinger said today that the impeachment proceeding will not affect President Nixon's conduct of foreign policy.

First Batch by Tuesday

Jaworski Seeks All Tapes Within 2 Weeks

By George Lardner Jr.

WASHINGTON, July 25 (AP).—Federal Watergate prosecutor John A. Jaworski moved today for an order directing President Nixon to surrender within two weeks all the tapes submitted for the Watergate coverage.

Mr. Jaworski strongly suggested that there was little excuse for further delay. Judge Sirica, who spent the afternoon in his chambers studying the Supreme Court decision, scheduled a hearing for 10 a.m. tomorrow. It would have been held this afternoon, but the President's chief Watergate lawyer, James St. Clair, had not yet returned from San Clemente, Calif.

The White House said that Mr. St. Clair would be in the courtroom tomorrow to respond to Mr. Jaworski's motion. Deputy White House Press Secretary Gerald Warren said Mr. St. Clair met with President Nixon in San Clemente this afternoon before returning to Washington.

Mr. Nixon announced last night that he would "comply" in all respects with the Supreme Court's decree, but Mr. St. Clair said that the "time-consuming process of reviewing the tapes" at the White House had not begun.

Cyprus Talks Convene; Greece in Firm Line

Athens Backs Independence For Nicosia

ATHENS, July 25 (AP).—Premier Constantine Karamanlis declared today that the primary task of his government would be to defend "the independence and integrity" of Cyprus "with all our strength."



Greek Foreign Minister George Mavros speaking in Geneva.

3 Nations Put Strong Truce 1st on Agenda

GENEVA, July 25 (AP).—The foreign ministers of Greece, Turkey and Britain agreed tonight to support United Nations efforts for restoring peace in Cyprus and decided to discuss measures for strengthening the fragile ceasefire on the island when their talks resume tomorrow morning.

Delegates to the opening session of the Cyprus peace talks here described the atmosphere as "friendly," despite Greek charges that Turkey is violating the UN-sponsored ceasefire, which took effect on Cyprus Monday.

May Become Pawns at Talks

Cypriot Turks Held Prisoner Are Facing Uncertain Future

By Terence Smith

LIMASSOL, Cyprus, July 25 (AP).—On the sun-baked dirt floor of the municipal soccer stadium here, about 1,750 men from Limassol's Turkish enclave and the surrounding Turkish villages are packed behind coils of barbed wire.

"We are in business," Mr. Callaghan wanted a statement issued to show the world we are in business," a British delegation spokesman said.

The Premier's address was preceded by a three-hour demonstration in central Athens by about 300 Greek Cypriot students chanting, "War, war... Greece save us" and "Death to the Turk."

It said the three foreign ministers "reaffirmed their endorsement" of the July 30 UN Security Council resolution which demanded an end to hostilities in Cyprus and ushered in the ceasefire.

Britons Bolster UN Hold on Nicosia's Airport

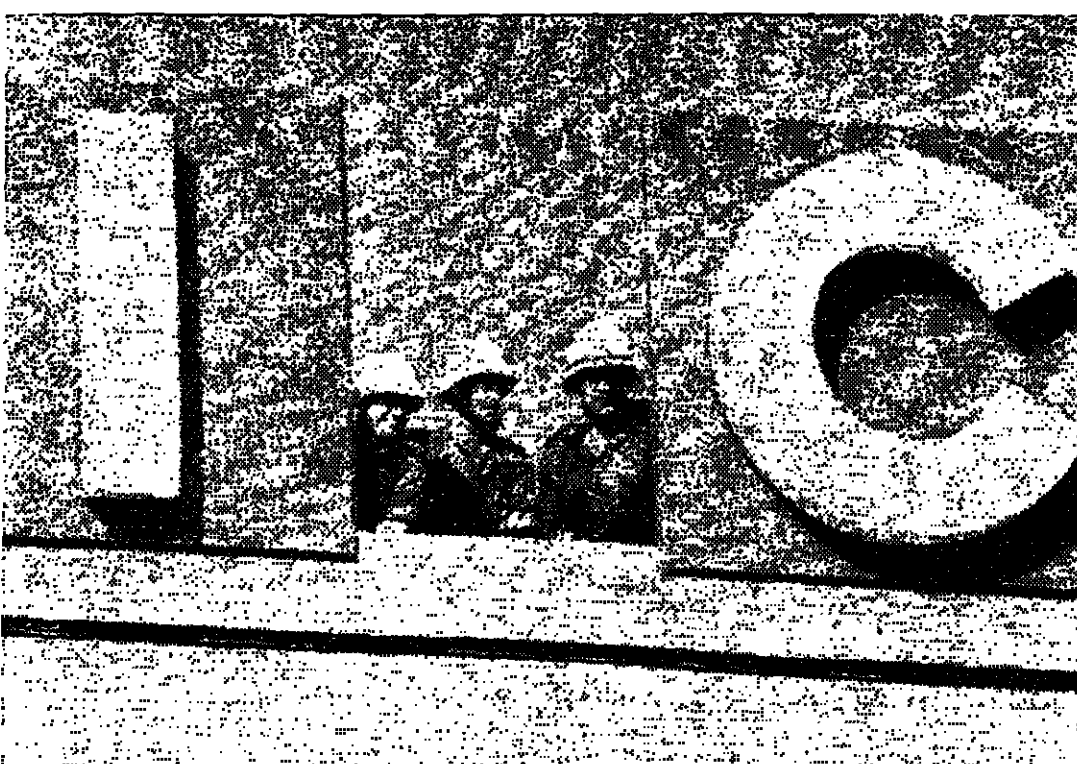
From Wire Dispatches

NICOSIA, July 25.—British armored cars rolled into Nicosia's airport today to reinforce UN peace-keeping troops charged with preventing any Greek or Turkish attempt to seize the strategic airway.

Turkish marines, supported by armor, had cut the main highway from Nicosia to Morphou.

Archbishop Makarios, ousted last week as President, today had few supporters backing his plan to return.

he was one of us [Greek Cypriots]. It appeared to be nearly impossible to find anyone on Nicosia's streets—while were not overcrowded, despite the ceasefire in effect between the Turks and Greek Cypriot forces—who had a good word for the archbishop. A typical comment was: "He just couldn't live up to his promises. He had 11 years to make something of Cyprus. He had his chance."



ON GUARD — Posted on the roof between letters of the sign identifying the airport at Nicosia, United Nations troops keep watch against any possible attack.

British was today reinforcing its troops at two bases on the southern shores of Cyprus.

The 3d Battalion of the Royal Regiment of Fusiliers was flown in from Britain to strengthen the defenses of the Dhekelia base, where British and other evacuees are concentrated before being flown out of the island.

The British were in their own army's uniforms. An officer explained that they had been assigned from Dhekelia to the UN support mission suddenly and had not yet been issued the UN (Continued on Page 2, Col. 3)

Rules for U.K., Germany

World Court Rejects Iceland Fishery Limit

THE HAGUE, July 25 (AP).—The International Court of Justice decided today that Iceland cannot unilaterally exclude British or West German fishing vessels from the area between 12 and 50 nautical miles off its coast.

But in Reykjavik, Icelandic Premier Olafur Johannesson said he did not recognize the jurisdiction of the court. Iceland has ignored similar rulings in the past.

In the present case, with 14 judges voting—and with judges from France, Sweden, Nigeria and Dahomey in the minority—the court handed down virtually identical decisions in two cases brought by Britain and West Germany against Iceland.

The court said that Iceland cannot unilaterally impose any restrictions on British or West German fishing and stipulated that Iceland's decision to extend its exclusive fishery rights to 50 miles was not valid as applied to either Britain or West Germany.

The court held that the parties involved in the so-called cod war are under mutual obligation to undertake negotiations in good faith toward an equitable resolution of their differences, further indicating that Iceland's preferential fishing rights, as well as Britain's and West Germany's traditional fishing rights and the need for conserving fishery resources, must be taken into account.

The only difference between the ruling on Britain's submission and that on West Germany's was that the court said it was unable to deal with the West German claim to compensation for damages due to alleged harassment of its fishing vessels and physical damage to its trawls.

The court said that giving judgment on compensation would require evidence of each incident cited by West Germany.

West Germany had argued that interference by Icelandic coast patrol boats with West German fishing vessels and their activities, which West Germany charged involved the threat or use of force, was unlawful under international law, and Iceland was under obligation to make compensation to West Germany.

He added that the most important of these was the "prompt" ousting of the procedure leading to the foundation of a true and progressive democracy within whose framework all Greeks will have a place.

Mr. Caramanlis's speech followed a session of the new cabinet.

As the government met, 46 political detainees imprisoned by the military junta on the Aegean island of Yarcos were released. They were greeted by scenes of wild jubilation when they landed on the mainland.

Papadopoulos Well

LAGONIS, Greece, July 25 (AP).—Former President Georges Papadopoulos, architect of the seven-year military-backed regime which ended this week, "is well and in his home," his chief bodyguard said today.

In an interview at this beach community near Athens, the guard denied reports that Mr. Papadopoulos had fled the country after the establishment of a civilian government Tuesday.

"Papadopoulos wishes to tell you that he is well and at home, and may be able to speak to you in the near future," he said.

2 Ex-Nazis Sentenced For Ghetto Slayings

HAMBURG, July 25 (AP).—A former Nazi SS sergeant was sentenced today to life in prison for the murder of four Polish Jews during World War II.

Otto Hanke, 67, was convicted of the slayings during the Nazi destruction of the Jewish ghettos in Warsaw and Bialystok late in the war. At least 300,000 lives were lost in the ghettos. Former SS Maj. Georg Michaelson, 68, Hanke's commanding officer, was sentenced to 12 years in prison as an accomplice in two of the slayings.

Conservative Bid Fails in Iceland

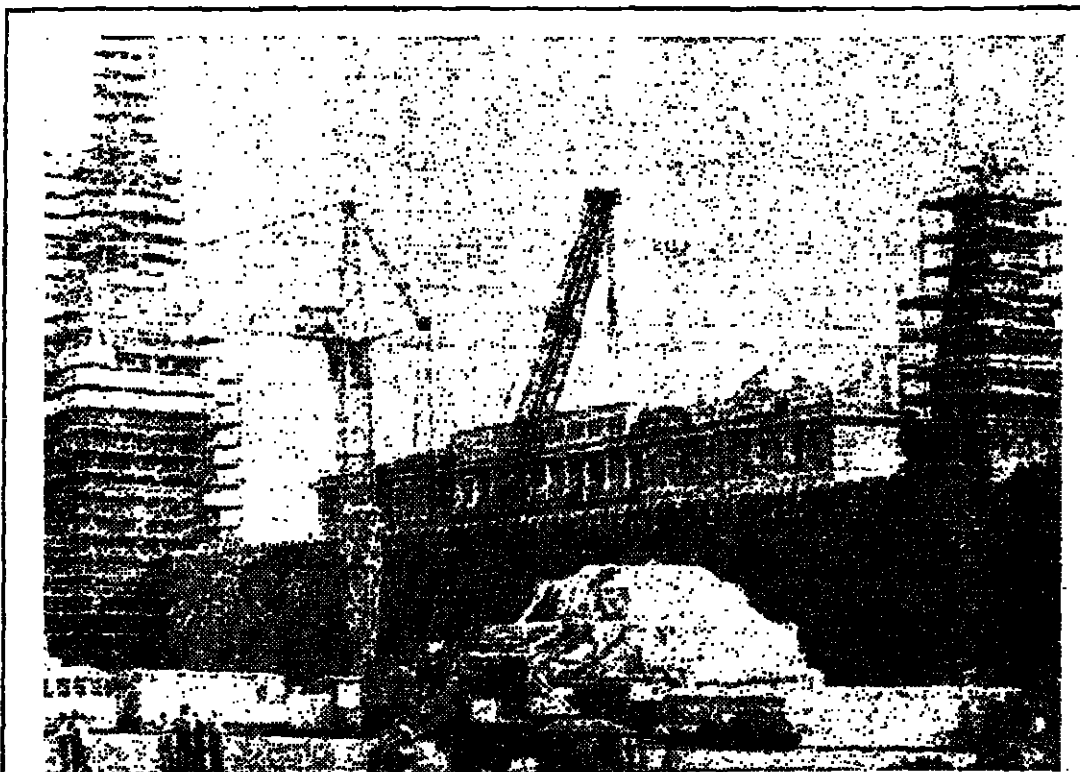
REYKJAVIK, Iceland, July 25 (UPI).—Conservative Geir Hallgrimsson today told President Kristján Eldjarn that he had failed in his efforts to form a new government.

Mr. Hallgrimsson, leader of the Independence party, which polled 43 per cent of the vote in the Althing (parliament) elections on July 1, had pledged to retain the NATO base at Keflavik.

Althing members said that President Eldjarn probably would ask outgoing Premier Olafur Johannesson, head of the center-left coalition that narrowly lost the election to form a minority coalition. His Progressive party and its Communist and liberal partners won 30 Althing seats, the same number as the Social Democratic and conservative bloc.

2 Cosmos Launchings

MOSCOW, July 25 (UPI).—The Soviet Union launched Cosmos-667 and Cosmos-668 today, Tass said.



Work progressed yesterday in Red Square.

No Stone to Be Left Unturned at Kremlin

MOSCOW, July 25 (UPI).—Every Red Square cobblestone will be lifted and 1.5 million Kremlin wall bricks replaced as part of the current, unprecedented restoration of the entire Kremlin, a newspaper said today.

"It is believed that the restoration of architectural monuments has never been undertaken on such a grand scale," the newspaper said.

The weekly English-language Moscow News said that the face-

lift of the Kremlin's 15th-century palaces, cathedral-museums, gilded onion domes and gardens will also take in nearby buildings. Among them will be the GUM department store overlooking Red Square.

It was the first official indication of the magnitude of the restoration plans, which caused the May 8 closing of Red Square and the Lenin Mausoleum. The newspaper said that work on the square and the 44-year-old mausoleum will be completed in time for the November parade marking the anniversary of the Russian Revolution.

Cyprus Peace Conference Opens in Geneva

(Continued from Page 1)

other nations agreed, but Greece is known to oppose the idea. British diplomats in London have said privately that they hope that the United States will play a stronger role in guaranteeing the security of Cyprus.

A British force of 9,000 men and a UN force of 2,300 men now hold this responsibility.

The three powers at the conference are the co-guarantors of the 1960 Cyprus independence treaty. They met in the council chamber of the Palais des Nations, European headquarters of the UN.

While photographers and television cameramen recorded the scene, Greek Foreign Minister George Mavros and Turkish Foreign Minister Turgut Gunes first smiled and waved at each other and then rose to shake hands. British Foreign Secretary Mr. Callaghan entered the conference room last and then the 15-member delegations sat down to work.

Earlier, Mr. Gunes told newsmen: "We seek a constitutional system for Cyprus, taking into account the interests of both the Greek and Turkish communities on the island. We favor a form of federation."

On his arrival in Geneva, Mr. Mavros accused Turkey of violating the cease-fire right up to the start of the talks.

"Turkey is sending troops into Cyprus and violating the cease-fire right now while we are speaking," Mr. Mavros told newsmen.

men at the airport. But he added that the new Greek government approaches the talks here "with hope."

In a statement, Mr. Mavros said, "It would be impossible for Greece to withdraw its forces and then wait a week for others to do the same." He said the cease-fire must be respected and the UN should supervise troop withdrawal.

Earlier Mr. Callaghan predicted that the talks here would repair "the damage that has been done" in Cyprus.

The most pressing task facing the conference, Mr. Callaghan said on arrival, "is to make sure there will be no more hostilities and the cease-fire will be observed."

Mr. Gunes said the conference would open under good auspices because "we now have a negotiating partner," a reference to the new civilian government in Athens under Premier Constantine Caramanlis.

"The Caramanlis team is well esteemed in Turkey," Mr. Gunes said.

Mr. Callaghan told newsmen that he hoped the conference here would "give a new sense of confidence to the Greek and Turkish communities on Cyprus," after the turmoil of the last 10 days.

Long-Term Issues

The conference is not expected to tackle the long-term issues of pacifying the rival Greek and Turkish communities on Cyprus. These were expected to be referred to officials at expert level.

Cypriot leaders would have to be brought in later for detailed discussions on political reforms, and there appeared to be disagreement over the future role of Archbishop Makarios might play. The archbishop has said that he hopes to attend the talks eventually.

Britain and Greece still recognize Archbishop Makarios as President of Cyprus. Turkey does, too, but sees "problems." "Makarios is President of Cyprus, but there are problems," Mr. Gunes said here. He accused the archbishop of working "in a system of semi-legality," by-passing the constitutional provision requiring the signature of the Turkish Cypriot vice-president on all government measures.

Gromyko Backs Makarios

MOSCOW, July 25 (Reuters).—Soviet Foreign Minister Andrei Gromyko tonight called on all states which valued the freedom and independence of peoples to back Cyprus's "legal government headed by Archbishop Makarios."

Speaking at a dinner for visiting Italian Foreign Minister Aldo Moro, Mr. Gromyko urged Italy, "as a strong Mediterranean power, to come out both in word and deed in defense of the just cause of the Cypriot people."

The statement was issued a day after President Walter Scheel of West Germany signed a bill permitting the environment agency to be established in West Berlin, 110 miles inside East Germany.

The Soviet bloc has insisted that the agency would constitute impermissible West German meddling in the city, administered by the four powers since World War II. The Russians also charged that the agency would breach the 1971 agreement, which de-fused West Berlin as a cold war flashpoint by redefining its status and securing West German transit rights through East Germany.

East Germany stepped up the Communist campaign against the agency last weekend by threatening to bar the transit routes to employees of the agency.

Turks Seen Determined to Keep Cyprus Port of Kyrenia

By Harry Trimborn

NICOSIA, July 25.—The leader of the Turkish Cypriot community indicated today that the port city of Kyrenia would remain in Turkish hands.

Rauf Denkash, who was Cyprus's vice-president in the ousted Makarios regime, said: "Kyrenia is now the door and window of the Turkish community—socially, economically and humanely—and we badly need it."

The capture of the resort city on the north coast a few hours before Monday's cease-fire went into effect gives the 180,000 Turkish Cypriots access to the sea with a 16-to-18-mile-wide corridor extending from the Turkish section of Nicosia. The Turks also claim to control a 23-mile stretch of the coast around Kyrenia.

Its capture, a major objective of the Turkish invasion, results in a consolidation of Turkish territory and in a way simplifies the complex territorial problems in the Greek-Turkish Cypriot conflict.

During the three-day war, Greek forces overran many of the Turkish villages and enclaves while Turkey was expanding its major enclave to the north of the capital.

Mr. Denkash, a former classmate of the new Greek Cypriot President, Glafkos Clerides, insisted that the Turkish forces had not come as conquerors.

Their aim, he said, was to thwart "Greek extremists like Sampson who thought they could drive the Turks into the sea."

The reference was to Nikos Sampson, who was for a week the president of Cyprus following the National Guard's overthrow of Archbishop Makarios.

Mr. Sampson is an ardent sup-

porter of Enosis—union with Greece—which Mr. Denkash said is now discredited.

"The door to Enosis is now definitely shut," he said. He declared that he would continue to support the independence of a united Cyprus if "strong guarantees" were provided to protect the Turks.

The view rejects the position of some extremist Turks who have long called for "Enosis," a partitioning of the island into territories for Greece and Turkey.

Mr. Denkash did not spell out what he meant by strong guarantees, but said: "We will examine all possible solutions."

Long Stay Seen

Backing up Mr. Denkash's words was evidence that the Turkish invasion forces intended to remain a long time. During the war, the conquered areas conducted by Mr. Denkash's office, correspondents could see Turkish forces digging into fortified positions.

Clusters of troops lined the corridor and fresh troops were seen being conveyed to position in military vehicles commandeered from the Cypriots.

Ships off Kyrenia could be seen unloading supplies for the troops. The ships, a local commander said, would take about 600 Greek prisoners to internment in Turkey. The Turks maintain that facilities for keeping them on the island are limited.

Mr. Sampson, who was for a week the president of Cyprus following the National Guard's overthrow of Archbishop Makarios.

Mr. Sampson is an ardent sup-

Called Greece's Best Postwar Premier

Caramanlis—a Fiery, Effective Politician

By Eric Pace

NEW YORK, July 25 (NYT).—When Constantine Caramanlis was Greece's minister of public works, the story goes, he ordered the trolley tracks torn up in Athens to make way for roadways and buses. But the trolley company stalled, so one day at dawn Mr. Caramanlis appeared with a gang of workmen and ripped out the tracks.

"Costa" Caramanlis, 67, is a hot-tempered individualist who, for better or worse, tries to get things done. "To the devil," he used to cry when a politician or a policy offended him, after he became Premier in 1965.

Campaigning for his rightist National Radical Union, he used to proclaim: "I stand alone. I am one against all." And when he quit in 1963 after a quarrel with the King, he stormed angrily off to exile in Paris. "Everybody wanted to cut my wings," he fumed. "I refused to stay and let them use their scissors."

Makarios' Salute

There was exultation in Athens Tuesday when the Greek President, Lt. Gen. Phaedon Gaidis, decided to turn over power to a civilian government and called Mr. Caramanlis back from Paris to form it. Archbishop Makarios, ousted President of Cyprus, in a news conference here in New York, termed him "a statesman of great ability and many virtues."

Mr. Caramanlis was born on Feb. 28, 1897, in the village of Frota, not far from the tobacco-trading city of Serai, in an area then under Turkish rule. His father died when he was about 12 years old. Young Costa put himself through law school in Athens and scraped money together for his younger brothers' schooling.

Returning to Serai, the young lawyer, a strapping six-footer with bushy-browed good looks, soon built up a thriving practice and, by some accounts, dabbled in leftist politics, although he has become known as a man of the right.

In 1935, at the age of 38, he was elected to parliament from Serai. But when a dictatorial government took the legislature down the next year, he quit politics and is said to have asserted that "all dictators contain the germ of death—they are doomed from the beginning."

National Fame

Returning to politics after World War II, Mr. Caramanlis made a national name for himself by building highways while public works minister from 1942 to 1944.

After Premier Alexander Papagos died in October, 1955, King Paul chose Mr. Caramanlis, who became the youngest man, and the first Macedonian, to become premier. He stayed in office most of the time until June, 1963.

The performance of Mr. Caramanlis as Premier is said by many Western observers to have been the best by any Greek head of government since World War II.

In economic affairs Mr. Caramanlis pushed ahead with industrialization, held the line generally on prices and wages and plumped vigorously for foreign investment.

Friend of West

In foreign affairs the Caramanlis government remained firmly wedded to the Western alliance and associated Greece with the European Economic Community.

Dealing with the perennial Cyprus question, Mr. Caramanlis met at Zurich with the Turkish Premier at the time, Adnan Menderes, and developed a basis for a constitutional arrangement for the island, which came independent from Britain in 1960.

In domestic political affairs Mr. Caramanlis had a storm though largely successful enjoying wide popularity.

When he resigned in 1967 he was protesting the installation of King Paul and Queen Freda on visiting London despite dictations of hostile demonstrations, which did in fact place.

He said that he had no intention of being in the stadium or the circumstances under which they might be released.

"That's up to the government in Nicosia," he said.

The conditions in the stadium are likely to get worse as time goes on. This reporter, the first foreigner to be admitted to the stadium other than the representatives of the Red Cross, was able to talk with dozens of the prisoners in an hour-long visit this morning.

The men ranged in age from early teens to late 50s. Many were shaggy and bearded. They had only the clothes that they were wearing when they surrendered. To escape from the broiling sun, they were crumpled into makeshift tents made of blankets strung from the first row of the stadium seats. Others were sitting cross-legged inside the half-dozen olive drab army tents that Greek Cypriot authorities had pitched on the stadium floor.

The men sleep at night wrapped in blankets on the hard dirt floor of the stadium. The Red Cross representatives visited them for the first time, promised them more blankets and coats, but none have arrived yet.

Their diet so far has been three meals a day of bread, cheese, olives, fruit juice and occasional bits of beef. They have had no hot meals so far, but neither said the Greek captain who commands the camp, have any of his men.

The prisoners report that the Greek guards were hostile and abusive at first but had treated them well since the Red Cross visit. One of the prisoners, a man of about 35, was killed by a guard on Sunday when the

Evangelists Bar Trying to Rival World Council

LAUSANNE, July 25 (UPI).—World Evangelist leaders meeting here decided yesterday against the creation of a permanent organization to rival the Protestant World Council of Churches.

Instead, the Evangelists, representing the fundamentalists of Protestantism, agreed to establish a 35-member "continuation committee" to maintain links among world regions.

Participants, including American Billy Graham, charged at the 10-day Evangelical Congress, which will end Friday, that the World Council of Churches has become too liberal.

They said that the council, representing Protestant, Anglican and Orthodox churches in 90 countries, pays too much attention to political and social issues rather than to the Christian mission.

Backed up by Mr. Denkash's words was evidence that the Turkish invasion forces intended to remain a long time. During the war, the conquered areas conducted by Mr. Denkash's office, correspondents could see Turkish forces digging into fortified positions.

Clusters of troops lined the corridor and fresh troops were seen being conveyed to position in military vehicles commandeered from the Cypriots.

Ships off Kyrenia could be seen unloading supplies for the troops. The ships, a local commander said, would take about 600 Greek prisoners to internment in Turkey. The Turks maintain that facilities for keeping them on the island are limited.

Mr. Sampson, who was for a week the president of Cyprus following the National Guard's overthrow of Archbishop Makarios.

Mr. Sampson is an ardent sup-

Turk-Cypriot Prisoners See Pawns in Future Negotiations

(Continued from Page 1)

not lasted only a few hours on Saturday. Phaedon Zachariadis, the district governor, said in an interview in his office today that 40 persons had been killed in the city.

He said that he had no intention of being in the stadium or the circumstances under which they might be released.

"That's up to the government in Nicosia," he said.

The conditions in the stadium are likely to get worse as time goes on. This reporter, the first foreigner to be admitted to the stadium other than the representatives of the Red Cross, was able to talk with dozens of the prisoners in an hour-long visit this morning.

The men ranged in age from early teens to late 50s. Many were shaggy and bearded. They had only the clothes that they were wearing when they surrendered. To escape from the broiling sun, they were crumpled into makeshift tents made of blankets strung from the first row of the stadium seats. Others were sitting cross-legged inside the half-dozen olive drab army tents that Greek Cypriot authorities had pitched on the stadium floor.

The men sleep at night wrapped in blankets on the hard dirt floor of the stadium. The Red Cross representatives visited them for the first time, promised them more blankets and coats, but none have arrived yet.

Their diet so far has been three meals a day of bread, cheese, olives, fruit juice and occasional bits of beef. They have had no hot meals so far, but neither said the Greek captain who commands the camp, have any of his men.

The prisoners report that the Greek guards were hostile and abusive at first but had treated them well since the Red Cross visit. One of the prisoners, a man of about 35, was killed by a guard on Sunday when the

Evangelists Bar Trying to Rival World Council

LAUSANNE, July 25 (UPI).—World Evangelist leaders meeting here decided yesterday against the creation of a permanent organization to rival the Protestant World Council of Churches.

Instead, the Evangelists, representing the fundamentalists of Protestantism, agreed to establish a 35-member "continuation committee" to maintain links among world regions.

Participants, including American Billy Graham, charged at the 10-day Evangelical Congress, which will end Friday, that the World Council of Churches has become too liberal.

They said that the council, representing Protestant, Anglican and Orthodox churches in 90 countries, pays too much attention to political and social issues rather than to the Christian mission.

Backed up by Mr. Denkash's words was evidence that the Turkish invasion forces intended to remain a long time. During the war, the conquered areas conducted by Mr. Denkash's office, correspondents could see Turkish forces digging into fortified positions.

Clusters of troops lined the corridor and fresh troops were seen being conveyed to position in military vehicles commandeered from the Cypriots.

Ships off Kyrenia could be seen unloading supplies for the troops. The ships, a local commander said, would take about 600 Greek prisoners to internment in Turkey. The Turks maintain that facilities for keeping them on the island are limited.

Mr. Sampson, who was for a week the president of Cyprus following the National Guard's overthrow of Archbishop Makarios.

Mr. Sampson is an ardent sup-

prisoners approached him, smiling with a cheer.

Greek Cypriots had fired a shot of the Turkish flag, the main international symbol of the Turkish invasion, a Greek flag was from the entrance of the stadium.

The issue of consultation came "totally academic," wonders what was it all? Mr. Kistner said at a State Department reception for his

During the Cyprus crisis said, "we just picked up the and reached decisions in this. This is the relationship should be."

Mr. Genschel agreed, over, he said, "The first air-aid during the crisis to London did not come from but from Paris. Who would thought this possible six months ago?"

Former Mission

He was referring to the relations between the U.S. and France on the occasion issue when Kistner was the U.S. ambassador in Paris. In talks earlier in the U.S. legislators, Mr. Genschel pointedly stressed the close relationship between the U.S. and the Federal Republic of Germany.

But "there is no question Washington-Bonn axis," he said, "sources close to Genschel reported."

Mr. Genschel, they said, in a meeting of the Foreign Relations Committee, the West German government of Chancellor Konrad Adenauer is determined to time the foreign policy predecessor, the government former Chancellor Willy Brandt.

On East-West relations, Mr. Genschel said, Mr. Genschel pointed out that "defense not mean security, only (Western) alliance does."

Evangelists Bar Trying to Rival World Council

LAUSANNE, July 25 (UPI).—World Evangelist leaders meeting here decided yesterday against the creation of a permanent organization to rival the Protestant World Council of Churches.

Instead, the Evangelists, representing the fundamentalists of Protestantism, agreed to establish a 35-member "continuation committee" to maintain links among world regions.

Participants, including American Billy Graham, charged at the 10-day Evangelical Congress, which will end Friday, that the World Council of Churches has become too liberal.

They said that the council, representing Protestant, Anglican and Orthodox churches in 90 countries, pays too much attention to political and social issues rather than to the Christian mission.

Backed up by Mr. Denkash's words was evidence that the Turkish invasion forces intended to remain a long time. During the war, the conquered areas conducted by Mr. Denkash's office, correspondents could see Turkish forces digging into fortified positions.

Clusters of troops lined the corridor and fresh troops were seen being conveyed to position in military vehicles commandeered from the Cypriots.

Ships off Kyrenia could be seen unloading supplies for the troops. The ships, a local commander said, would take about 600 Greek prisoners to internment in Turkey. The Turks maintain that facilities for keeping them on the island are limited.

Mr. Sampson, who was for a week the president of Cyprus following the National Guard's overthrow of Archbishop Makarios.

Mr. Sampson is an ardent sup-

British Aid UN at Nicosia

(Continued from Page 1)

force's blue helmets and forms.

"We have a very large at the airport now consist British, Swedish, Canadian, Austrian and Finnish," a spokesman said. He refused to say how many but added more were to come.

The troops manned machine gun emplacements and rifles mounted on jeeps at the airport's passenger building. Absentees of those who had fled the Turkish invasion were stacked proper around several weapon sites.

The Indian commander of UN force on Cyprus, Maj. Prem Chand, said that his had made the airport unit by either side.

Chand said he had made both sides that the damaged airport was not fighting for. But a UN concurred today that "there lot of usable runway out of any army that wanted to reopen at least one runway within a few hours."

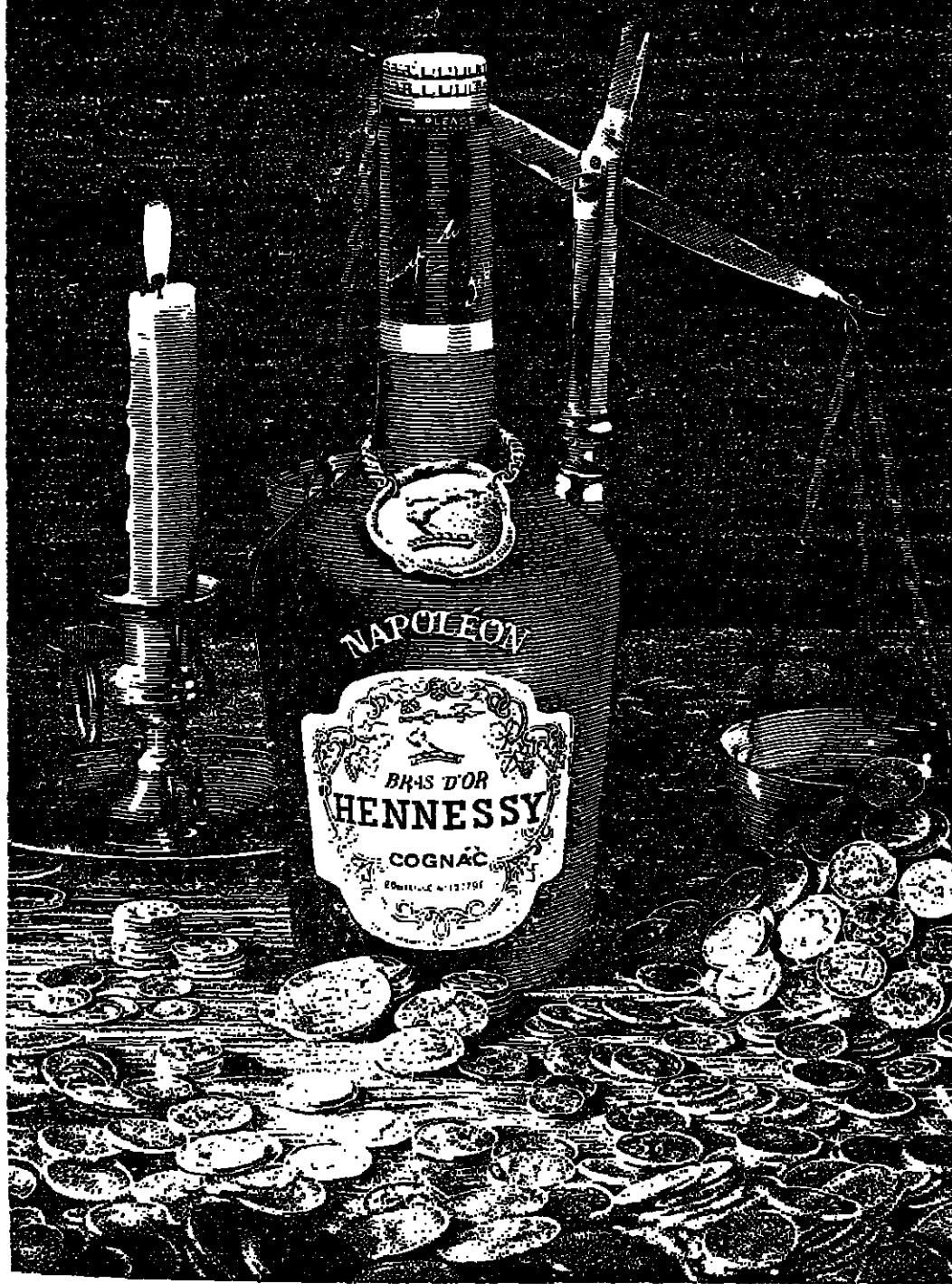
Chand said that the Turkish Cypriot troops looted one end of the main runway about 500 yards away, a Tu Marine Lieutenant stopped used by newsmen. His men on both sides of the high "You can't drive down this road," the Lieutenant said. "The forces don't like to see cars driving around."

Jordan Said to Arrive 32 of Guerrilla Groups

BEIRUT, July 25 (UPI).—Popular Democratic Front for Liberation of Palestine said today that 32 of its guerrillas have been arrested in Jordan planning raids into Israeli-occupied lands and face trial by military courts.

A leader of the Liberation Front, Salah Rafta, was arrested in Jordan about 10 days ago, but later released at 25 requests.

The Gold Standard

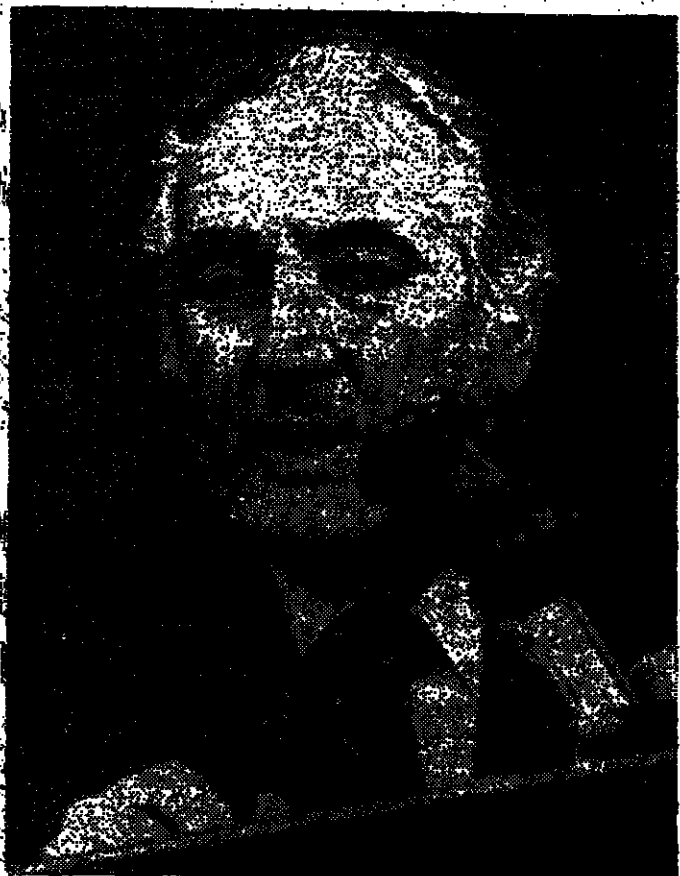


هكذا من الأصل

News Analysis

Subpoena Ruling Affirms U.S. Traditions

By Lesley Oelsner
WASHINGTON, July 25 (NYT).—A sharply divided Supreme Court today struck down a school desegregation plan involving the busing of pupils across school district lines from the black inner city to the white suburbs to achieve racial balance.



Rep. Rodino gavels open the debate.

House Inquiry's Public Phase: Solemnity, Emotion, Lights

Continued from Page 1
adjectives from the original impeachment articles, try to get down to broadly usable language. There has been an absolutely wild one of the draftsmen said. One calls flew back and forth one the two groups—we need more than this and stay to—until the ubiquitous incoherent sources said that the a was ready to go along. p. Ralsback was the first of to speak last night. He said that he was "one of those has agonized" over his decision. He praised the President as "end" who has only treated "sincerely." But then he traced he described as "abuses of" then Rep. Ralsback finished, it run two minutes over his there was little question he would vote to impeach, he his almost despairing final "I wish the President do something to solve it." then the committee-ers said there were five un-nd members left—all Repub-her in the day. Rep. Charles s, R-Calif., who is Presi- Nixon's most ardent ad-der on the committee, held f his almost daily seminars pters. Wiggins said patiently he expect to know until the thute what the "antis" had

final arbiter of the meaning of the Constitution. It was a repetition of a promise contained in the Bill of Rights, that defendants would get fair trials and due process would prevail. It was an explanation of and an insistence upon the constitutional system of separation of powers. And so, to many lawyers, it was properly and perhaps even necessarily written by the head of the nation's judiciary. The court's decision has obvious political implications for Mr. Nixon—if he had failed to comply, his failure might have been considered a ground for impeachment. When he hands over the subpoenaed material, the material may eventually find its way to the impeachment inquiry and, if it is damaging, may weaken his case.

Executive Privilege
The decision also apparently makes new law: It says that there is a constitutional basis for privilege for presidential communications. Lower courts have suggested as much but the Supreme Court had not, until yesterday, made it clear.

And the decision has implications for the forthcoming trial of the Watergate cover-up case as well—the subpoena for the tape and records of 64 White House conversations was issued at the behest of Leon Jaworski, the special Watergate prosecutor, on the grounds that the material was necessary for the trial. If Mr. Nixon should delay turning over the material, the trial would undoubtedly be postponed. The court's conclusion is technically a narrow one—It gives the ground for asserting privilege as to subpoenaed materials sought for use in a criminal trial is based only on the generalized interest in confidentiality. It cannot prevail over the fundamental demands of due process of law in the fair administration of justice. The generalized assertion of privilege must yield to the demonstrated, specific need for evidence in a pending criminal case.

The court is not telling Mr. Nixon he has no right to ever withhold his papers on the grounds that they are privileged; it is telling him he must turn over a certain set of papers and records to Judge John Sirica so that the judge may examine them and see if they should be used in the Watergate cover-up case.

The immediate effect of the court ruling is thus not to resolve the Watergate tapes case—that resolution probably will not come for months, because even if Mr. Nixon follows the decision, he may now make "particularized" claims of privilege to Judge Sirica as to specific items in the subpoenaed material.

In the legal battle over the first prosecution subpoena of White House tapes, more than two months elapsed between the basic court ruling upholding the subpoena against a general claim of privilege and the subsequent ruling by Judge Sirica on the particularized claim of privilege. And, in that case, only nine conversations were involved. Here there are 64.

Nor does the court decision mean that Mr. Nixon must suddenly comply with the House Judiciary Committee's outstanding subpoenas. The case before the court involved only the special prosecutor's subpoena.

Traditional Rules
The immediate effect of the ruling is, instead, to demonstrate that traditional rules of law—and especially constitutional rules—are to be applied whatever the circumstances.

Justice Burger wrote his opinion in a plain, almost schoolbook style, as if he intended it for the general public reader rather than the lawyers who are generally the court's only readers.

As he explained it, the President has a "presumptive" privilege for his confidential communications, based on his need to be able to carry out the duties of his office.

But courts have a duty to give fair trials, and fair trials are impossible unless relevant and necessary evidence can be presented.

In some cases, the two competing interests collide. So, Justice Burger said, "it is necessary to resolve those competing interests in a manner that preserves the essential functions of each branch."

The President, when faced with a specifically defined and substantial need for some of his communications, does not automatically have to comply—nor may he automatically refuse. A balancing test is applied.

"Gravely Impair"
"The interest in preserving confidentiality is weighty indeed and entitled to great respect," Justice Burger said. But, he went on, "the allowance of the privilege to withhold evidence that is demonstrably relevant in a criminal trial would cut deeply into the guarantee of due process of law and gravely impair the basic functions of the courts."

Justice Burger is far from the first Supreme Court justice to flatly reject the position of the President who appointed him. For example, Tom Clark was an intimate of President Truman and served as his attorney general; but when Justice Clark was on the Supreme Court and the steel mills seizure case came up, Justice Clark wrote a concurring opinion rejecting the Truman plan.



VICTIMS OF A HOAX—Following his wife and daughter Ann, William Randolph Hearst prepares to fly home to San Francisco from Los Angeles on Wednesday after reports that his daughter Patricia wanted to surrender turned out to be a hoax. Phone calls led the police to raid an apartment house, fruitlessly.

Panel's Impeachment Debate Moves Along

(Continued from Page 1)

Mr. Nixon should stand trial in the Senate for the Watergate scandal and other charged offenses.

Opening the second round of the debate, which began last night, Rep. Charles Wiggins, R-Calif., declared that Mr. Nixon is entitled to a presumption of innocence.

Later, Rep. Wiggins was given additional time by Rep. Fish, to continue a detailed recitation of why various charges against Mr. Nixon should not result in impeachment.

Rep. John Conyers, D-Mich., confirmed that he will vote for impeachment, declaring that Mr. Nixon must be removed "to restore to our government the proper balance of constitutional power and serve notice to all future presidents that such abuse of conduct... [will] never again be tolerated."

Confirming past indications, Rep. Joshua Ellberg, D-Pa., and Rep. Jerome Waldie, D-Calif., said that Mr. Nixon should be impeached.

Rep. David Dennis, R-Ind., called impeachment "radical surgery on a cancer that needs therapy at the roots." He said that the President should be retained and congressional attention devoted to campaign reform, fighting inflation and other problems.

Rep. Conyers, one of the outspoken Nixon critics on the committee, charged that the President was responsible for "wholesale violation of the constitutional rights of citizens."

Notorious Defiance
He also sharply criticized Mr. Nixon's refusal to comply with the panel's subpoenas, declaring: "Until this day, the President is in open and notorious defiance of the law because he has failed to comply with the directives of this committee to produce the documents that we need."

Rep. Wiggins, who called for fairness for the President, has frequently been characterized as Mr. Nixon's most articulate defender on the committee. But he told the committee's second session of formal debate that he winces at that label because he believes simply that the case

should be decided according to law.

If fairness is not the overriding factor in the proceedings, Rep. Wiggins said, "we would be doing a greater violence to the Constitution than any misconduct alleged of Richard Nixon."

Rep. Wiggins told his colleagues that it was "not too late

for me to challenge" whether they should sit in the proceedings if they have formed a preconceived notion of Mr. Nixon's guilt or innocence.

But despite his challenge, it was believed that the committee would vote for impeachment, although the margin of such a vote remains to be determined.

Richardson Assures Russians On U.S. Policy Without Nixon

By Malcolm W. Browne

MOSCOW, July 25 (NYT).—Elliot Richardson, who resigned as attorney general last October in a dispute related to the Watergate scandal, is conveying to Soviet leaders his belief that even if President Nixon were removed from office his policy of détente would be continued.

Mr. Richardson, who is touring the Soviet Union with his family and meeting Russian policymakers, met with American reporters here yesterday.

Mr. Richardson, who has held no public office since his resignation, stepped down rather than execute an order from Mr. Nixon to dismiss special Watergate prosecutor Archibald Cox. Mr. Richardson also served as secretary of defense in the Nixon administration.

As Private Citizen
In a prepared statement, Mr. Richardson said of his visit thus far: "Although here as a private citizen with my family, I have, as a former attorney general and a former secretary of defense, attempted to make it clear to the Soviets my own views of general current concern."

First, that in spite of apparent difficulties, America's constitutional system is fundamentally strong—and is, indeed, proving its strength.

"And second, that regardless of a possible transition in American leadership, continuity of support for the principles, initiatives and emphases of President Nixon's foreign policy is overwhelmingly probable."

The former official, here at the invitation of the U.S. Studies Institute of the Soviet Academy of Sciences, said he had found Soviet experts on America extremely knowledgeable about the current political crisis in America.

He said the Soviet experts are concerned about the situation but also believe that Mr. Nixon's policies in foreign affairs will continue if he is removed.

Continuity Enhanced
"I assure and hope," Mr. Richardson said in response to a question, "that if Secretary Kissinger stays in office, that continuity of policy will be enhanced."

The official Soviet line for some time has been that reactionary forces in the United States who oppose détente with the Soviet Union are the main instigators of impeachment proceedings against Mr. Nixon. Mr. Richardson's observations yesterday were the first clear indication that Soviet policy-makers do not themselves necessarily believe this.

Mr. Richardson said he had been asked how the United States now proposes to deal with the increased power of the press. He said that he told the questioner any remedy proposed for the problem would simply make the problem worse.

Mr. Richardson said he felt that the Soviet Union was more likely to evolve into an open society after détente had reached full fruition. Thus, he said, such matters as more liberal migration policies for Soviet Jews and dissidents are likely to come about only when the Soviet Union feels more secure in its international position.

In 5-4 Decision

Supreme Court Strikes Down Detroit School Busing Order

By Robert Siner

WASHINGTON, July 25 (NYT).—A sharply divided Supreme Court today struck down a school desegregation plan involving the busing of pupils across school district lines from the black inner city to the white suburbs to achieve racial balance. In a 5-to-4 decision, its last action of the session, the high court held that the plan, embracing Detroit and its suburbs, could not be imposed without any evidence that the suburban districts were themselves guilty of segregation or responsible for the segregation of the Detroit schools. Chief Justice Warren Burger, speaking for the majority, ruled that "where the schools of only one district have been affected, there is no constitutional power in the courts to decree relief balancing the racial composition of that district's schools with those of the surrounding districts."

court-ordered desegregation plans for the Atlanta, Boston and Louisville school systems, which were also appealed to the Supreme Court today.

Busing Compromise Fight

WASHINGTON, July 25 (AP).—A Senate-approved compromise that would limit busing for school desegregation faces a tough fight in the House, which is insisting on stronger curbs.

"We will stand firm," Rep. Joe Waggoner, D-La., a leader of busing opponents, said yesterday after the Senate agreed, 61 to 15, to accept the compromise written into a \$23.2-billion education bill.

The legislation is expected to be brought up in the House early next week. At that time, Rep. Waggoner will seek to have the bill sent back to conference with the Senate with instructions to insist on the House anti-busing language.

Impermissible Remedy
"To approve the remedy ordered by the [District] Court," he added, "would impose on the outlying districts, not shown to have committed any constitutional violation, a wholly impermissible remedy."

The lower court was directed to develop a desegregation plan embracing Detroit alone.

But Justice Thurgood Marshall, the only black member of the high court, in a strong dissent said: "We deal here with the right of all our children, whatever their race, to an equal start in life and to an equal opportunity to reach their full potential as citizens. Those children who have been denied that right in the past deserve better than to see fences thrown up to deny them that right in the future."

In the majority opinion, the chief justice also found that the lower-court plan was contrary to the strong, deeply rooted tradition of local control of the schools.

"Local autonomy," he declared, "has long been thought essential both for the maintenance of community concern and support for the public schools and to the quality of the educational process."

U.S. Navy Acts To Track Down Practice Bombs

SAN DIEGO, July 25 (AP).—The Navy ordered an inventory of its practice bombs yesterday after two, ready to explode on impact, were found—one under a downtown bench and one under a home porch.

The 20-inch-long bombs are used in airplane attack training. Their force is that of large shotgun shells, a spokesman said.

"A child banging on one with a rock or using a hammer could make it go off," a fire investigator said.

Governor Quits In Mozambique

LISBON, July 25 (AP).—The governor-general of Mozambique, Soares de Melo, today resigned amid reports that Portugal's military-dominated government would also create a junta to rule the East African territory, the Lusitania news agency reported here.

The report said that the newspaper A Tribuna, of Lourenco Marques, the capital of Mozambique, said that Mr. de Melo resigned "in view of the present chaotic political situation in the territory."

Wounded Knee Trial Rested by U.S.

ST. PAUL, Minn., July 25 (AP).—After 60 days of testimony from 80 witnesses, the U.S. government rested its case yesterday in the Wounded Knee trial of American Indian Movement leaders Dennis Banks and Russell Means.

District Judge Fred Nichol immediately excused the jury until Aug. 12, and prepared to hear defense arguments for dismissal. Mr. Banks and Mr. Means are charged in a 10-count indictment with burglary, larceny, assault, conspiracy and other crimes in connection with the armed takeover of the Indian reservation village in South Dakota in spring of last year.

flew home Pan Am.



Michael Goldberg, Chappaqua, New York

prefer to fly an American airline—patriotic pride, I suppose. The food on our 747 was better than most foreign airlines—we had a choice of 3 meals."

watch! PAN AM The world's most experienced airline.

Nixon Vows to Cut Spending, Asks All U.S. Fight Inflation

LOS ANGELES, July 25 (AP).—President Nixon said today that he intends to trim \$8 billion from the fiscal 1975 budget and to continue spending restraints. He suggested "an anti-inflation lobby... in every home in America" to help win the fight against inflation.

He called on Congress, business and labor and every family to help.

Mr. Nixon said that he had no intention of rescuing "the discredited patent medicine of wage and price controls," nor would he prime the pumps of inflation with new deficit spending, new easing of credit or with tax cuts "that would only make inflation worse."

He said that this would be "like pouring gasoline on a raging fire."

Instead, he said, he plans a "sensible, realistic course" and will monitor every sector of the economy to continue "steadily on our basic anti-inflationary course."

Televised Speech
Mr. Nixon made his comments in a nationally televised speech to a gathering of businessmen and manufacturers at the Century Plaza Hotel.

He said that he is determined to cut a proposed fiscal 1975 budget of \$305 billion "toward a goal of \$300 billion" and will veto congressional actions that would raise spending above that budget. The President said that he has ordered a reduction of 40,000 in the number of federal employees provided for in the budget for the current year. He estimated that "this alone will save \$300 million."

Mr. Nixon said that the federal government will cut the growth of its spending and hold down the growth of money and credit to check private spending. He asked state and local governments, businesses and con-

sumers "to hold down their own spending and increase their own saving as their contribution to the fight against higher prices."

Hardships Conceded
He said that some Americans cannot cut their spending without real hardship and some businesses cannot cut theirs without reducing production now or in the future.

But, the President said, "more families could reduce or defer some expenditures—building their savings instead—without hardship."

"Every business has some fat in it, just as every federal agency has. And state and local governments, whose spending has been rising rapidly, should follow the lead of the federal government in cutting unnecessary spending."

Mr. Nixon said that he would not react to the problems of inflation "with gimmicks or emotionalism" and that he would follow a two-pronged strategy—"restraining demand in the short run and expanding supply in the long run."

He said that he would use every influence of his office "to bring about hopeful, voluntary restraint on the part of both business and labor."

PARIS' LEADING TAX-FREE SHOPPING CENTER
MICHEL SWISS
16 Rue de la Paix - Paris-2e
Phone: 073-60-36
ALL PERFUMES, BAGS, SCARVES and NOVELTY GIFTS
Mail order service. Wrapped and delivered to you anywhere in the world
MAXIMUM DISCOUNT

The El Primero chronograph from Zenith can measure many things. Even the performance of other chronographs.

The El Primero was the first and is still the flattest self-winding, high-frequency chronograph. With its 36,000 beats an hour it remains the only chronograph to divide time into tenths of seconds.

Its broad integral setting heads are effectively protected and positioned for easy handling. But the El Primero offers even more. Second, minute and hour recorders, a tachymeter, quick date setting and a water-resistant case make it a first-class wrist watch. And this chronograph's styling is as unconventional as its performance.

When you compare it with other chronographs, you will agree that the El Primero is truly incomparable.

Illustrated model Ref. 010000415. Stainless steel, integral setting heads. Quick date setting. Self-winding. Hardened mineral glass. Water-resistant. Other models available in 18 carat gold and stainless steel.

ZENITH
The quality goes in before the name goes on.

Zenith Time SA - La Chaux-de-Fonds and Neuchâtel - Switzerland

Other Irregularities Cited

School Overbilled Pentagon \$184,600, Senate Probe Told

By Stuart Alierbach

WASHINGTON, July 25 (UPI)—The Defense Department paid a Florida school twice the civilian rate for the care of the emotionally disturbed children of servicemen, government investigators testified yesterday.

Moreover, auditors from the General Accounting Office found that the Green Valley School in Orange City charged the government \$184,600 for the care of students who were in fact working full time, on trips, running away or being treated elsewhere. This testimony, presented to the Senate Permanent Investigations Subcommittee, was added to charges made Tuesday that school personnel beat its students, made them lie in shallow graves as punishment and used unorthodox methods of therapy.

The Rev. George von Hilsheimer, former superintendent of the school, denied the fraud charges and said the sum amounted to "a fraction" (18 per cent) of the \$1.2 million paid to Green Valley by the Defense Department's Civilian Health and Medical Program of the Uniformed Services (CHAMPUS).

"Stupid Mistakes" He admitted some excess billing, but said they were "gross and stupid mistakes." "I don't think you can see here any kind of a pattern or attempt to defraud," he said.

He did not explain why CHAMPUS patients were charged more except to say that medical requirements of the Pentagon program were greater than those needed for other students. But later he said CHAMPUS patients were treated no differently than other patients.

GAO auditor Arthur Mitchell Jr. testified that the school charged non-CHAMPUS students an average of \$6,300 a year. The Defense Department paid an average of \$14,600 a year for CHAMPUS students.

He said the \$184,600 overpayment to Green Valley included \$47,500 for students being cared for at a New York school run by Mr. von Hilsheimer that was not authorized to get CHAMPUS funds.

"Child Would Flourish" Mr. von Hilsheimer told the subcommittee that the New York program, at the Buck Brook Farm Campus, was "an integral part of the school." In some instances it was determined that the child would flourish in the atmosphere of Buck Brook Farm when fathers and mothers of psychiatric patients had been unable to get the child to even tell his name.

He defended sending students to Buck Brook, despite the CHAMPUS ban, as being necessary for their successful treatment.

He emphatically denied the brutality charges brought by former nurses at the school. "There is no torture at Green Valley School; there has been none," he said. "Green Valley for years has stood for gentle, loving, non-punitive, alternative methods of correction."

Among these methods, he said, was "electric stimulation." To show that it didn't hurt, Mr. von Hilsheimer attached a stimulator which he said was called "the lightning bolt" to his finger. He didn't hurt, said Nettles, the former business manager of the school. "It tingles the same as when you touch an electric outlet."

He said his talks in Britain, as elsewhere, had ranged over many common world financial problems such as the supply and demand of petroleum, oil prices and what can be done individually and collectively about inflation.

7 Convicts Hold 10 Hostages For 2d Day in Texas Prison

HUNTSVILLE, Texas, July 25 (AP)—Seven armed convicts held 10 persons at a state prison today for the second day today, with their leader demanding guns and ammunition and threatening to kill the hostages. Negotiations continued, and several ultimatum deadlines passed this morning without incident, authorities said.

Guards armed with rifles and shotguns ringed the brick fortress while prison system authorities prepared to send in more arms and ammunition demanded by the seven inmates.

The convicts, led by former Texas narcotics czar Fred Gomez Carrasco, demanded delivery of the weapons, "free-world clothing" and protective vests.

The hostages—seven men and three women—are prison system schoolteachers and librarians as well as a prison guard. "I think he'll kill those people he's pushed against the wall," Carrasco's lawyer, James Gillespie, said.

Mr. Gillespie said Carrasco, 34, led him by telephone from the third-floor library that he would free the hostages if he lived "a life" in prison. Carrasco told newsmen by telephone that he had no intention of completing a life prison term. What is the sense of living when you are caged up like an animal?" he said. "I'm not the type of man who can live five life behind bars."

If he should gain freedom, Carrasco said, he might flee to Cuba. "Maybe Castro would give me a piece of sugar cane," he said.

The three-day siege said he did not want to harm his hostages but would kill them "if need be... if I am provoked."

Carrasco has demanded and been given bedding, food, medicine, cigarettes and a television set which receives only a local channel.

The convicts were armed with three pistols, which officials say apparently were smuggled inside. Carrasco's guards are not armed while inside the "walls unit," as the main section is known, and authorities have not determined how the convicts obtained the arms.

The rebellion began when Carrasco pulled a gun, wounded a guard in the foot and seized 12 hostages. The wounded guard and a male hostage, who later suffered a heart attack, were freed.

Prison officials said there were more than 50 convicts in the library during the take-over, but all but the seven returned to their cells.

Seoul Sentences Five to Death as Spies for North

SEOUL, July 25 (AP)—The Seoul District Criminal Court sentenced five civilians to death yesterday for espionage on behalf of North Korea and for plotting an uprising against President Chung Hee Park.

Three other civilians were sentenced to life imprisonment, and 24 were given terms ranging from one to 15 years.

A total of 19 persons now have been sentenced to death this month for anti-government activities, but five of the sentences were commuted to life imprisonment.

The government charged yesterday that the defendants were members of a spy ring that had operated in Seoul and other cities since December, 1963. It said that the group received about 60 million won (\$150,000) from the Communists.

The court said that the ring, in addition to spying, was assigned to infiltrate political, intellectual and labor organizations to incite unrest and confusion and to prepare for an uprising against the government at the "decisive moment."



LAST ONE IN IS A VIET CONG—South Vietnamese children riding a ferry across a river near Saigon decide that they would rather swim ashore than wait for the boat to dock.

Rebel Forces Take 2 Posts In Cambodia

PHNOM PENH, July 25 (AP)—Khmer Rouge insurgents captured two government outposts north of Phnom Penh and 170 of the government's defenders are missing, military sources said today.

The Hot in Kompong Chhnang Province, about 50 miles north of the capital, was lost yesterday after six assaults during the day, the sources said. The post was defended by a 300-man battalion, and 100 of them were reported missing.

Another government garrison fled Tuesday from Peam Longkay on the east bank of the Tonle Sap River, 25 miles north of Phnom Penh. The survivors crossed the river and made their way toward the big government camp at Longkay.

The post was established at Peam Longkay to try to keep insurgents from attacking food convoys coming down the river to Phnom Penh. The survivors crossed the river and made their way toward the big government camp at Longkay.

The government claimed its forces killed 67 insurgents in a battle in the Tat region, 47 miles southwest of Phnom Penh. The command said its air force flew 128 combat strikes against various targets throughout the country yesterday.

In Saigon, the South Vietnamese command said Air Force yesterday had its busiest day since the cease-fire 18 months ago. It said more than 210 strikes were flown. It claimed that 350 North Vietnamese and Viet Cong were killed.

Meanwhile, fighting continued for the eighth day just below Danang. Field reports said local authorities ordered government employees and villagers to evacuate the district town of Duc Duc, 20 miles southwest of Danang, to avoid casualties from sustained Communist shelling.

James Chadwick Dies, Physicist Won Nobel Prize

LONDON, July 25 (AP)—Sir James Chadwick, 82, who won the Nobel prize for physics in 1935 for the discovery of the neutron, died yesterday at his home in Cambridge.

Sir James was a member of Lord Rutherford's famous Cavendish Laboratory at Cambridge University when he discovered the neutron, an uncharged particle in the atom.

Later, Sir James and colleagues at Liverpool University discovered the principle of the atomic bomb. By bombarding the atomic nuclei of various isotopes with neutrons, they found that a chain reaction could be set off with consequent enormous release of energy.

In 1943, he went to the United States as head of a British atomic team. He was responsible for coordinating the work of American, British and Canadian scientists working on the bomb.

Richard W. Oudersluis

DETROIT, July 25 (AP)—Richard W. Oudersluis, 59, the founder and retired president of Market Opinion Research Co., died at his home on Tuesday. His firm conducts public-opinion polls for newspapers.

Meningitis Cut In Africa Region

GENEVA, July 25 (UPI)—The World Health Organization said yesterday that it has stopped epidemic outbreaks of cerebro-spinal meningitis in Egypt and the Sudan with a new vaccine.

It said that there has been no case of the disease among 70,000 persons vaccinated in an immunization program during the last two years.

WHO said that there is a meningitis belt running through Africa, from the Sudan to Senegal. It said that the disease has killed more than 150,000 persons in the zone since World War II.

Sadat's Bid to Unify Policies Of Arabs Is Seen Disrupted

BEIRUT, July 25 (UPI)—Egyptian President Anwar Sadat's attempt to coordinate Arab policies in preparation for the scheduled resumption of the Middle East peace talks at Geneva in October appeared today to be completely disrupted. Arab commentators said.

Mr. Sadat met with King Hussein of Jordan last week in an attempt to find a formula for reconciliation between Jordan and the Palestinian guerrillas. King Hussein ousted the guerrillas from Jordan three years ago.

But a communiqué issued by Mr. Sadat and King Hussein after the meetings, was bitterly assailed by the major guerrilla organizations. The communiqué announced the recognition of the Palestine Liberation Organization (PLO), the overall guerrilla grouping, as the representative of Palestinians with the exception of those residing in Jordan. The PLO has insisted that Jordan recognize it as the "sole representative" of all Palestinians.

Arafat Refuses

Now the PLO leader, Yasser Arafat, who also heads el-Fatah, the largest individual guerrilla unit, is refusing to go to Egypt for talks with Mr. Sadat, guerrilla officials said. They said he would not go to Egypt before his visit to Moscow, "expected soon, for talks with Soviet leaders."

Abou Iyad, the second in command of el-Fatah, confirmed that the PLO would not send a representative to Cairo.

Egypt, supporting a Jordanian initiative, sent invitations to a PLO representative to meet with the foreign ministers of Egypt, Syria and Jordan, if possible on Sunday. Egyptian Foreign Ministry officials said yesterday.

But the PLO Executive Committee, meeting under Mr. Arafat yesterday, not only formally rejected the Sadat-Hussein communiqué but said it would not entertain the idea of a reconciliation with Jordan.

The dispute appeared likely to disrupt plans for an Arab summit conference at Rabat, on Sept. 3. The conference was supposed to unify Arab policies for Geneva. Jordan already has asked for postponement of the conference and Egypt announced yesterday it has "no objection" to a postponement.

4 Explosions Shake Center Of Belfast

BEIRUT, July 25 (UPI)—A series of IRA bombings forced the evacuation of central Belfast during this evening's rush hour. As thousands obeyed police and army orders to clear the area, four car bombs exploded within 30 minutes, littering the streets with debris from wrecked stores and offices.

No casualties were reported, however, police said.

The first warning came when one of the proxy bomb drivers leaped from his truck in front of the 12-story Belfast Europa Hotel and yelled an alarm. The hotel was evacuated. The blast, the 14th to hit the hotel, smashed hundreds of windows.

Three more car bombs exploded outside government office buildings, shattering house fronts and windows.

Telephone callers who said they spoke for the provisional IRA told Belfast newspapers that seven bombs had been planted.

The Belfast bombings followed a Provisional IRA statement acknowledging responsibility for a bomb Tuesday aboard a British Airways passenger jet. It said that the bomb was only a demonstration to prove the IRA could breach airport security but that future bombs would be primed to explode.

Giscard Takes a Firm Line on Inflation

By James Goldsborough

PARIS, July 25 (IHT)—President Valéry Giscard d'Estaing told his first presidential press conference today that his government would reduce inflation to "a level as low as that of our major European partners."

Mr. Giscard d'Estaing, who transformed the traditional Fifth Republic press ritual into an informal "press meeting" at the Elysee Palace said that the goal of his government was to reduce the rate of price increases from its present level of around 15 per cent annually to less than 12 per cent by the end of the year and between 7 per cent and 8 per cent next year.

He pointed out that the government's anti-inflationary measures already have contributed to the relative health of the franc, which he said has strengthened by 3.2 per cent against the dollar and 7.3 per cent against the West German mark since his election two months ago.

Domestic Affairs

The French President devoted the entire 75-minute meeting to domestic affairs, promising that he would hold a meeting with the press on foreign affairs early in the fall.

He continued to emphasize that his regime would stand for change and transformation, although he admitted that many Frenchmen were attached to tradition and the past and had difficulty accepting change. He described the government's objective as "to always be ahead of events."

Pressed on what institutional changes he planned a subject that has been traditionally anathema to the UDR Gaullists, Mr. Giscard d'Estaing indicated that he would move slowly. He said that he favored reducing the presidential term from its present seven years to either five or six years. He said he opposed creating an office of vice-president.

Mr. Fahmy said that Egypt's strategy, which is based on total Israeli withdrawal from occupied Arab territory and restoration of the Palestinians' rights, has not changed.

Real Preparations

Egypt agreed to a postponement of the Rabat talks, he said, to give the Arab states time to make "real preparations for the summit conference, so that Arab solidarity will be at its best before the Arabs face Israel in Geneva."

Mr. Fahmy said that Egypt's strategy, which is based on total Israeli withdrawal from occupied Arab territory and restoration of the Palestinians' rights, has not changed.

Winter Coal Shortage Is Feared in Britain

LONDON, July 25 (UPI)—Britain faces coal shortages this winter unless miners increase production, the National Coal Board said today.

The warning was issued by the NCB chairman, Sir Derek Ezra, who also revealed a £130-million (\$312-million) loss in the last financial year that ended in March. The deficit was caused by a miners' strike.

At First 'Press Meeting'

ident, but that he would like the power of the Constitutional Council to be increased.

Asked if he envisaged something similar to the Supreme Court of the United States, he said, "We have no intention of copying the U.S. Constitution. We have different institutions here." He also said that he was opposed to a "republic of judges."

In his program for reforms, he indicated that parliament would be asked to vote bills reforming both campaign financing and the income tax, including an excess-profits tax. He described a major problem facing France today as that of "homogenization of the population," which he said meant a leveling of income and redistribution of wealth. Another major problem, he said, was energy and inflation.

Asked by a journalist from Humanité, the Communist newspaper, if he was as conservative and as far to the right as his reputation, Mr. Giscard d'Estaing answered simply that "I don't hear it said anymore that I am conservative."

He said that the government would promote women's rights in every field and that he has given instructions that no woman should be tried for abortion. Most abortions are illegal here under a 1920 law.

EEC's Cyprus Role

PARIS, July 25 (IHT)—President Giscard d'Estaing said yesterday that the Cyprus conflict had showed for the first time that the nine nations of the European Economic Community could take common political action in a crisis situation.

Speaking at the weekly cabinet meeting, Mr. Giscard d'Estaing called the EEC statement on Cyprus last week the "beginning of the kind of common diplomatic activity that should be developed in the future."

He said that the Europeans' action had played a positive role in the resolution of the crisis. The French President was referring to the community's statement calling for an early return to "constitutional order."

Bankers take wait-and-see attitude on tax plan—Story Page 7.

cent annually to less than 12 per cent by the end of the year and between 7 per cent and 8 per cent next year.

He pointed out that the government's anti-inflationary measures already have contributed to the relative health of the franc, which he said has strengthened by 3.2 per cent against the dollar and 7.3 per cent against the West German mark since his election two months ago.

Domestic Affairs

The French President devoted the entire 75-minute meeting to domestic affairs, promising that he would hold a meeting with the press on foreign affairs early in the fall.

He continued to emphasize that his regime would stand for change and transformation, although he admitted that many Frenchmen were attached to tradition and the past and had difficulty accepting change. He described the government's objective as "to always be ahead of events."

Pressed on what institutional changes he planned a subject that has been traditionally anathema to the UDR Gaullists, Mr. Giscard d'Estaing indicated that he would move slowly. He said that he favored reducing the presidential term from its present seven years to either five or six years. He said he opposed creating an office of vice-president.

Mr. Fahmy said that Egypt's strategy, which is based on total Israeli withdrawal from occupied Arab territory and restoration of the Palestinians' rights, has not changed.

Real Preparations

Egypt agreed to a postponement of the Rabat talks, he said, to give the Arab states time to make "real preparations for the summit conference, so that Arab solidarity will be at its best before the Arabs face Israel in Geneva."

Mr. Fahmy said that Egypt's strategy, which is based on total Israeli withdrawal from occupied Arab territory and restoration of the Palestinians' rights, has not changed.

Winter Coal Shortage Is Feared in Britain

LONDON, July 25 (UPI)—Britain faces coal shortages this winter unless miners increase production, the National Coal Board said today.

The warning was issued by the NCB chairman, Sir Derek Ezra, who also revealed a £130-million (\$312-million) loss in the last financial year that ended in March. The deficit was caused by a miners' strike.

At First 'Press Meeting'

ident, but that he would like the power of the Constitutional Council to be increased.

Asked if he envisaged something similar to the Supreme Court of the United States, he said, "We have no intention of copying the U.S. Constitution. We have different institutions here." He also said that he was opposed to a "republic of judges."

In his program for reforms, he indicated that parliament would be asked to vote bills reforming both campaign financing and the income tax, including an excess-profits tax. He described a major problem facing France today as that of "homogenization of the population," which he said meant a leveling of income and redistribution of wealth. Another major problem, he said, was energy and inflation.

Asked by a journalist from Humanité, the Communist newspaper, if he was as conservative and as far to the right as his reputation, Mr. Giscard d'Estaing answered simply that "I don't hear it said anymore that I am conservative."

He said that the government would promote women's rights in every field and that he has given instructions that no woman should be tried for abortion. Most abortions are illegal here under a 1920 law.

EEC's Cyprus Role

PARIS, July 25 (IHT)—President Giscard d'Estaing said yesterday that the Cyprus conflict had showed for the first time that the nine nations of the European Economic Community could take common political action in a crisis situation.

Speaking at the weekly cabinet meeting, Mr. Giscard d'Estaing called the EEC statement on Cyprus last week the "beginning of the kind of common diplomatic activity that should be developed in the future."

He said that the Europeans' action had played a positive role in the resolution of the crisis. The French President was referring to the community's statement calling for an early return to "constitutional order."

Baccarat
The Crystal of Kings since 1764
you are cordially invited to visit our Museum and retail showrooms
30 bis Rue de Paradis, PARIS.
Tel: 770-64-30.
Open daily except Sunday 9 a.m. - 5:30 p.m.
You may also buy from the other crystal and china stores on the famous Paradis Street.
Metros: Pussinière & Gare de l'Est.

Fly with the 'Homa' to its fabulous land

Friday Mosque, Isfahan
Persepolis, Shiraz
Welcome Aboard
The unbeaten path, near Isfahan
Discovering Persia's living history
Arya Sheraton Hotel, Tehran

Iran Air's 'Homa' offers many rewards. So does Iran.

Soon it will be dusk. Colossal pillars cast long deep-purple shadows across the ruins of a once great city. The vestiges of ancient palaces, towers and massive assembly halls loom in the dying light. This is Persepolis, a city which Darius the Great founded and made the centre of an all-powerful nation.

And it is here, so legend has it, that the fabulous 'Homa' bird appeared in the skies. This bird is said to have inspired Cyrus the Great to found the Persian Empire (now Iran). Though Persepolis has receded imperiously into history, the bird flies on.

Today you can see its majestic profile on the tailplanes of Iran Air's all-jet fleet: Boeing 707s and 727s for our international flights, 737s for servicing our 18 destination network in Iran itself.

So come visit Iran. There's so much to see - Isfahan, Shiraz, Persepolis, cities splendid and romantic where history was made.

Or to the unbeaten path... through a land of gardens, ornate pigeon towers and dreaming mosques with domes of turquoise or yellow. Hotels? They are luxurious and international with every modern facility.

Get all the rewarding details from your Travel Agent.

IRAN AIR

London Paris Frankfurt Vienna Geneva Zurich Rome Moscow Athens Istanbul Tehran Abadan Baghdad Beirut Bahrain Abu Dhabi Doha Dubai Teheran Kabul Karachi Bombay. Also sales offices in Milan, Hamburg, New York, Los Angeles and Tokyo.

'Test-Tube' Births Certain to Shake Deepest Personal, Social Values

By Frank Sartwell

WASHINGTON (UPI)—The recent reports from England that three "test-tube" babies had been born came at just about the time predicted in a still-secret study prepared two years ago by a panel of the U.S. National Academy of Sciences.

This study, itself the product of almost three years' labor by a distinguished group of doctors, lawyers and economists, encountered heavy opposition within the academy's own ranks and has never been published.

A copy of the final draft, dated September, 1972, has leaked out. What follows are edited excerpts from the report:

In vitro (in a test-tube) fertilization is a technique with several possible immediate uses, and is itself a step to other, more sophisticated technologies. The scale of use is likely to be small, but some of the social implications are likely to be independent of the number of people directly affected. This is because in vitro fertilization challenges the imagination of the public and touches some deeply rooted and strongly held beliefs and values.

The efficiency of the process—how many eggs or how many embryos—transfers it will take to produce a live, full-term baby—cannot be predicted in advance, although there is no reason to expect it initially to be much higher or lower than in the case of animals. Given the present means of obtaining functional human eggs, a low overall efficiency (currently approximately

4 per cent in the case of mice) means that, on the average, several laparoscopic procedures (operations to remove mature eggs from the ovaries) would have to be performed on the same woman to provide enough eggs for eventual success.

Although the surgical procedure to obtain the eggs is rather simple, requiring usually less than 24 hours of hospitalization, there are identifiable risks for the woman (infection, hemorrhage, perforation of an organ).

The major questions of medical safety relate to the potential child. Although there have been no reports of gross deformities at birth following successful transfer in mice and in rabbits, the number of animals so far produced in this way is too small to provide reassurance. There is at present no way of finding out in advance whether or not the viable progeny of the procedures

in vitro fertilization, culture and transfer of human embryos will be deformed or retarded.

Three Cases

Consider three cases exemplifying alternative uses of the technology.

Case I: The fully intra-marital case; egg from wife, sperm from

husband, embryo transfer to wife for gestation and delivery.

A husband and wife are unable to have a child of their own due to obstruction (or absence) of the oviducts in the wife. In this case, in vitro fertilization would employ the wife's own egg and the husband's sperm, and the embryo produced would be transferred to the wife's uterus, thereby circum-

venting the obstructed oviducts.

Estimates suggest that as many as 0.5 to 1 per cent of all women (and couples) might be helped to have a child of their own by in vitro fertilization.

As always, possibilities for disappointment exist. The scientists who fertilize and implant cannot guarantee a "normal," much less a "superior," baby.

For a child born with the aid of in vitro fertilization (as, indeed, for any child born), questions concerning health, growth and maturation, relationships, social identity and self-image are pertinent. There is as yet little reliable evidence as to whether children born following in vitro fertilization and egg transfer are likely to be healthy and "normal."

However, in the long run, few anticipate any large problem. Nevertheless, the participants should be prepared for the possibility—especially before the technology has been extensively used and perfected—that the product of gestation may be grossly malformed. The participants would then face the question of whether such an "artificially created creature" should be destroyed if it is not wanted (or, perhaps, even if it is wanted) by the parents, and also the question of who should and how to decide.

In the fully intra-marital case, a healthy child should have few problems of identity, status and self-image. There would seem to be no special reason to be concerned about the child's emotional growth or his relationship with his parents.

But these children may face great pressures to study their mental, physical, sexual and emotional development. The scientific studies (and publicity) could not only intrude upon the child's privacy, but might lead him to consider himself "strange" or "peculiar."

Although physicians are generally held responsible for untoward consequences of procedures and operations they perform on patients, their responsibility here is perhaps somewhat unusual, in that this procedure involves the creation of what becomes a new human person. One of the "patients" of the procedure and, obviously, cannot share in the decision to undergo it. This fact raises perplexing questions about how to meet the requirement of "informed consent" usually desired for procedures involving human subjects.

Case II

Case II: The "adopted embryo." In this case the embryo that is transferred to a woman desiring a child comes from an egg that is not her own. The egg could be obtained from a known or anonymous donor, directly or through a storage bank. The sperm used for fertilization comes from the husband or from another donor.

In the latter case, the prospective child would be genetically unrelated to its "parents," but it would have been "adopted," in this special sense, as a young embryo and would have been carried to term and delivered by its "adoptive" mother.

Possible uses would include women whose infertility is due to complete failure of ovulation or whose ovaries are sufficiently diseased to preclude their serving as a source of eggs. Also, increased might be (female) couples known to carry abnormal genes, and who may therefore have children with genetic disease if they engage in natural procreation. Perhaps eventually—especially if egg and sperm banks become established—there might be couples interested in so-called "selective mating," desiring to use the procedure with egg and/or sperm from identified, known donors, living or deceased.

In vitro fertilization with donor eggs is, in principle, much like artificial insemination with sperm from an unrelated donor. However, in the case of egg donation, the donor is put to the greater inconvenience and possible risks of hormone treatment, anesthesia and surgery.

Under the best circumstances the donor, the parents and the child may experience no untoward psychological consequences from the successful use of the procedure. The donor would have the satisfaction of having contributed to the happiness of another couple, the parents would have their child—born of the mother, with the seed of the father—and the experience of pregnancy and birth, and the child would be welcomed into the world by its parents. Yet psychological difficulties and risks of conflict are conceivable. Experience with some parents

who give up children for adoption, and with donors for artificial insemination, suggests, for example, that an egg donor might harbor an interest in the family to which she donated her eggs, and the child that was born therefrom—a child that in genetic terms is her own. She may experience fantasies about the child and its father and "mother," and may try to establish contact with them. Or she might later come to regret her generosity, should she have difficulty having children of her own.

The recipient woman and her husband might experience complementary feelings. Despite the fact that she freely chose to do so, the woman might feel peculiarly carrying "someone else's" child or might have fantasies about the donor.

Case III

Case III: The "surrogate womb." In this case the embryo, grown in vitro from an egg of one woman fertilized by sperm from her husband, is transferred to another woman who will carry and deliver the child and then return it to its genetic parents.

Possible users of this variation of the in vitro fertilization technology include childless women who are infertile because of a diseased, abnormal or absent uterus, but whose ovaries still function, and women who wish to have children but who also wish to avoid pregnancy and childbirth (for example, for reasons of career, convenience, fear, vanity).

Although the parties may initially agree to the "surrogate" arrangement, conflicts are likely to arise. Agreements of this kind probably would be unenforceable, since it could easily be argued that none of the participants, and especially the woman who bears the child, fully appreciated the implications. The bearer, after being pregnant a while, might change her mind and wish to have an abortion. Or she could decide after delivery that she wished to keep the child.

On the other side, the husband and wife might change their minds and might try to force the pregnant woman to undergo an abortion. Or they may not want to accept the baby after birth if it is born deformed or defective.

Even in the absence of conflict there might be confusion about the social identity and status of the child, a confusion which, if unresolved, could eventually be shared by the child himself. Who would be mother, father, sibling? Who would have what rights, privileges, duties and liabilities? As in Case II, the risks of conflict or psychological difficulties might be increased if the genetic parents and the surrogate gestational mother were known to one another, and especially if they were friends or kin.

The use of strangers as foster gestational mothers might present problems of a different sort. Possibly, the women, in need of money might agree to perform such a service. Alternatively, the function might be fulfilled by women who might wish to experience pregnancy and childbirth but who do not wish to become parents. Conceivably, a business might develop.

Some may look upon this use of women—and especially (or only) of poor women—as degrading or dehumanizing, especially if it is done regardless of its scale or use. Others may see it as a matter for private moral judgment only. Still others may emphasize and value the humanitarian and beneficial services performed and may approve their remuneration. These matters tend to stir up people's emotions and the possibility of heated public controversy ought to be anticipated.

Frank Sartwell, a free-lance science writer, is former managing editor of Science News Magazine.

Paris Fashions—Best Season in Years

By Eugenia Sheppard

PARIS, July 25.—The Paris couture has pulled itself up by its boot straps, and has just finished its best season in years.

Though the openings, now crowded into four days, were all strong for the big, full, Russian, belted overblouse, a hang-over from last spring's made-to-order designers, there are definite signs that the oversize look is passing, and that even the ideal of soft limpness, started by rebellious young designers in the late sixties, has more than reached its peak. Almost all the new clothes here fit more closely, like the almost Victorian snugness in some of Yves Saint Laurent's dresses and the fitted and flared skirts in the Mme. Gres collection.

Other signs of the times are the reappearance of stiffer fabrics,

the big motif ballgowns at Saint Laurent and the rustle of taffeta at Mme. Gres.

It was a good season for capes here, and the suit made a definite comeback, whether with full, belted jackets or much slimmer, tailored lines.

The big news for daytime, though, was the revival of the chemise. Always a favorite with women, because of its ease and its kindness to bulges, the chemise has been applauded from the moment it first appeared at Cardin on the first day of the collections. Cardin's provides flattery with a few tucks in front, but Yves Saint Laurent's goes all the way, hanging straight from a high yoke to mid-calf like a little girl's dress.

There are almost no pants in the collections and absolutely no evening pajamas. Replacing the pajamas are short evening dresses, though not so short, of course. Longer skirts are everywhere, but designers are not insistent and all advise, "Wear them to suit your own figure."

Velvet is the new love in fabrics, making a kind of bridge between chiffon and the stiffer fabrics. In ruby red and emerald green it has helped to make the color story, that is very strong for daytime with lots of black for night.

The black dinner suit is hot. The sheer black evening dresses are marvelous, and for those who don't want black the other Paris basic shade seems to be violet all the way from pale mauve to bright purple with many interesting, dusky tones in between.

Mme. Gres has always been a now and then designer with a few superb dresses in each collection. This time, though, the show that closed the four-day fashion marathon here was all hits and no misses.

Mme. Gres has a definite shape for many of her new clothes—flared at the waistline with a flaring skirt. Her short evening dresses are the most beautiful in Paris. Some of them are made of the mat jersey that has made her famous. She manipulates it like no other designer in the world. For another she uses moiré and taffeta—the one that has puffed long sleeves and a deep décolletage both front and back.

The backs of Mme. Gres' gowns are all as fascinating as the fronts and sometimes quite different. It will be tough for any woman with an income geared to Paris couture to choose between the evening dresses. All of them



Black crepe evening dress from the Grès collection.

come wrapped romantically in hooded capes or huge scarves that peek out to show delicate décolletages.

Just a few of the treasures in the collection are the gray mohair cape over a short, white, draped mat jersey dress and a similar bright red jersey; the long purple chiffon butterfly dress; the long sapphire blue taffeta; high-necked, long-sleeved dress and with its own shawl; the smoky gray sheer dress and scarf; the Victorian pale green moiré and, I can assure you, dozens of other charms.

Venet

Just one more ray of sunshine. Though Philippe Venet is suffering from an injured back, he still managed to show his best collection in years. It blends with good color and the dresses live up to the motto, his first love.

Naturally, there are all snakes of coats, big and slimmer, with

emphasis on the coat with a cape collar that reaches almost to the waist. Fur from wolf to mink are included.

Among the standouts: the slim beige coat over a striped wool dress; the costume in sky blue for the coat and pale blue for the dress, and the evening outfit that combines orange with a special shade of melon.

Courrèges

Courrèges has just opened a new and larger boutique on Rue François I, near his couture house. I must say that the T-shirts, blouses and sweaters are far more riveting than the made-to-order.

In his couture, Courrèges introduced swimming trunks in a big, wide open stitch. They were introduced by models still knitting their tops with giant needles. Courrèges showed Jany for the first time, both sporty and more dressed-up pastel dyed lamb.

Instant Black Market Classic

Soviet Public Gets First Known Sex Guide

By Roger Ledington

MOSCOW (AP)—Russian women get more fun out of sex than French or English women.

Every Russian who was shown the book or who has read it carefully scrutinized the pages and diagrams. In it, readers are told that 40 per cent of French women never experience an orgasm, 41 per cent of English women fall at it, while 18 per cent of Russian women have the same problem.

The author heavily quotes Kinsey and other foreign "experts" to support his claims. But he provides a rare admission that studies on sexual behavior have been conducted in the Soviet Union.

Dr. Svyadoshch, from Leningrad, reported that a study there showed 100 per cent of the men who were studied always achieved sex satisfaction. He did not discuss the Western male, but left his readers with the implication that the capitalist male is no great lover.

"A person's sex life has an influence on that person's moral state and ethical notions, that is, in forming the personality," Dr. Svyadoshch writes. "Premarital sex can be a source of severe psychic disturbances and can lead to social impoverishment of the personality."

Only if a couple is in love, is "everything permitted in order to create sexual harmony," he advises.

100,000 Copies

Some 100,000 copies have been issued—the same number as the latest collection of Communist party Secretary Leonid Brezhnev's speeches—in an evident attempt to reach a wide audience. They sold for 65 kopeks—87 cents—next

to Pravda and Izvestia in street kiosks. Despite continued public interest, no more copies of the book are expected to be published.

Every Russian who was shown the book or who has read it carefully scrutinized the pages and diagrams. In it, readers are told that 40 per cent of French women never experience an orgasm, 41 per cent of English women fall at it, while 18 per cent of Russian women have the same problem.

The author heavily quotes Kinsey and other foreign "experts" to support his claims. But he provides a rare admission that studies on sexual behavior have been conducted in the Soviet Union.

Dr. Svyadoshch, from Leningrad, reported that a study there showed 100 per cent of the men who were studied always achieved sex satisfaction. He did not discuss the Western male, but left his readers with the implication that the capitalist male is no great lover.

"A person's sex life has an influence on that person's moral state and ethical notions, that is, in forming the personality," Dr. Svyadoshch writes. "Premarital sex can be a source of severe psychic disturbances and can lead to social impoverishment of the personality."

Only if a couple is in love, is "everything permitted in order to create sexual harmony," he advises.

Sexual disharmony is frequently the man's fault, he says.

"Men often overestimate a younger woman's need for sex," he explains, "while they underestimate an older woman's needs." Perhaps that is because, as the professor declares, Russian women achieve a maximum interest in sex by the age of 28 or 30 and often maintain it until they are 60. But he says Russian men are most potent in their late twenties, after which they begin "a slow and gradual descent."

"When and Where?" He also offers advice on when and where to make love: "Anywhere and any time with a few exceptions... in the morning only if you have time to rest before going to work, not more than once a night and never during menstruation for aesthetic and health reasons."

Dr. Svyadoshch dwells on frigidity in women and claims that, according to foreign statistics, 90 per cent of Western women are frigid. While fewer Russian women are frigid, if a Russian man has a frigid wife, he suggests various ways to resolve the problem.

He notes that a doctor can use an electric vibrator—available only in clinics and never to be used for an "orgasm" because a woman will become more attracted to it than to her husband—"can send his patient to spas in the south for mineral water showers. Mud baths also come highly recommended."

PARIS AMUSEMENTS

CINEMAS - THEATERS - RESTAURANTS - NIGHT CLUBS

in montparnasse

LE PARNASSIEN
and its
TERRACE

PRICES ALL DAY 35F

LUNCHES DINNERS SUPPERS

Four Maine Montparnasse
180 rue de Rennes 75006 Paris

WORLD FAMOUS

LIDO

Nightly at 10.30 p.m. and 11.15 a.m.

Two shows

GRAND JEU
MINIMUM PER PERSON
TAX AND TIP INCLUDED

85F with 1/2 bottle
Champagne
or 2 drinks

OR
132F
Dinner, Champagne
and 1/2 bottle
Champagne
or 2 drinks

DINNER-DANCE AT 8 p.m.

RESERV. 850-5000

UGC MARBEUF

ST-ANDRÉ DES ARTS

GENERAL

IDI AMIN DADA

AUTO PORTRAIT

Horaires film: 14 h - 15 h 40
17 h 20 - 19 h - 20 h 40 - 22 h 20

LE DAHU

CHARCOAL Specialities

Open till 2 a.m.

359.72.68

Reservations advised

10, Rue de la Tremoille (19)

THE JAZZ CABARET of the

CHAMPS-ELYSEES

RUSSKAT

LES PLUS BELLES
CHAMPS-ELYSEES

Open every night from 10 p.m. till dawn

1864-1974

BOFINGER

LUNCHES, DINNERS, SUPPERS, till 2 a.m.

JAZZ-DINNERS

OPEN ALL SUMMER

Flowered Terrace

5 rue de la Bastille, ARC 87-82

Closed on Sunday

Style 1900

Lunches, dinners.

Terrace - Private parking: 200 places.

Open in July and August.

Pavillon Elysée

Carré Marigny. Tel. 265.29.60 and 85.10

La GRILLE du MARAIS

Basque Specialities

"Chiffonnade" mouton.
Bœuf chasseur

12 Rue de Turenne, Paris (4e).

SERVING TILL 11 PM

Reservations: 272-62-43. Cl. Sunday.

CALAVADOS BAL 95-38
ELY. 27-28

JOE TURNER - LOS LATINOS

Sauces Bar-Casualty Diners-Lunch

40 Av. J.-Jard-de-Sarcelle (11, George-V)

OPEN DAY AND NIGHT - All cond.

Where coffee can take you, and how.

When it's the coffee of Tia Maria, the unique coffee liqueur, the distance will seem enchantingly infinite, sip after sensuous sip.

Tia Maria, distilled according to a secret recipe 200 years old, will give you and your partner the experience of discovering a luscious new world.

For with Tia Maria, it's not just where coffee can get you—but wow!

Tia Maria... coffee and WOW!



SHARPS AND FLATS

ANTIBES, France.—The jazz festival features Sonny Rollins July 26; the Johnny O'Neil Show July 27; the Stars of Jazz, Billy Preston and the rock group Ice July 28 and the Mahavishnu Orchestra with John McLaughlin July 29.

PARIS.—This week American actors and folk singers Gordon Heath and Les Foyant are celebrating the 25th anniversary of their Left Bank club, L'Alhambra. Four American jazz groups will participate in a free jazz concert at the American Center on July 27 at 9 p.m.

LONDON.—Ronnie Scott's is offering Brian Auger's Oblivion Express, along with the Ronnie

Scott Trio, every night through Aug. 4.

COPENHAGEN.—Jazz program every night at the Montmartre Jazzhus.

The Delta Rhythm Boys have just hired Ray Beatty as first tenor to replace Herb Coleman who was killed in Canada last month. Beatty was formerly with one of the Ink Spot groups in Europe and now lives in Sweden. The new Delta are in rehearsal for their annual Scandinavian tour, opening in Helsinki Aug. 14.

Bretton folk singer Alan Stivell will be at the Cambridge (2nd Grand) Folk Festival July 26 and 27. He headlines a concert the following night at the Guildhall in Plymouth.

This week's top singles records are, in the United States, "Amie's Song" by John Denver; and in Britain, "She" by Charles Aznavour.

—FRANK VAN BRAKLE

On Our LOW Wkly Rates

You Can Live At The

EAST-END HOTEL

with 10 Meals Weekly

for LESS THAN

\$5.57 to \$9.82

PER DAY, depending on

double or single weekly occupancy.

10 HEARTY AMERICAN

HOME-STYLE MEALS

(with occasional Continental

and Italian specialties.)

Ideal for Men, Women, Students.

Write or phone for

FREE BROCHURE

EAST-END HOTEL

84 E. 74 ST., N.Y.C. 10047

Phone: (212) 487-6400

PUBLISH YOUR

BOOK IN 90 DAYS

Want to book manuscripts on all subjects. Expert editing, design, manuscript preparation, 100,000 words, one cost. Completed books in 90 days. New techniques. Two page books and shorter. Give us your book, manuscript, outline, title or plan. Dept. 297

EXPOSITION PRESS, INC.

Yonkers, N.Y. 10556 914 957-0200

مكتبة من الأصل

EEC to Carry Out Anti-Trust Probe of IBM

RUSSELL, July 25 (Reuters).—The Common Market commission announced today it is opening an official inquiry to see if IBM is abusing a dominant position in the EEC.

The inquiry into IBM agreed at a commission meeting yesterday will be conducted under Article 86 of the EEC's founding treaty which prohibits abuse by one or more companies of a dominant position within the Common Market.

Mr. Borschette made it clear that his department is also looking into other allegations made against IBM in Europe, but he gave no details.

To Nearly Half That of Previous Month**W. German Trade Surplus Declines Sharply**

By James C. Furlong

BONN, July 25 (AP-DJ).—West Germany posted a June trade surplus of 2.51 billion deutsche marks, nearly halved from 4.81 billion DM in May and the lowest since the 1.61-billion-DM surplus reported for June 1973.

June exports sank 19.6 per cent to 16.845 billion DM from 20.956 billion DM in May, while imports declined 10.8 per cent to 14.335 billion DM from 16.077 billion DM, the Federal Statistics Office in Wiesbaden said today.

A year earlier, June exports were 13.64 billion DM against imports of 12.023 billion DM.

Announcement of the June trade figures sent the dollar soaring on the foreign exchange market to 2.3585 DM at the midday fixing from 2.31 at the opening. The U.S. currency had declined more than 3 percent yesterday on rumors that the Dutch guilder and the deutsche mark would be revalued.

Government and central banking sources warned, however, that it was too early to conclude that Germany's trade surplus, which has been expanding at a record rate this year, is finally going into a decline. They said seasonal factors probably influenced the June result and that in any case one month's figures do not prove a trend.

In the first six months, Germany's trade surplus was 23.2 billion DM, nearly double the 12.9 billion DM in the like 1973 period. The surplus for all 1973 was 32 billion DM.

The current account surplus—including merchandise trade, services and transfer payments—abroad by foreign workers in Germany—totaled 800 million DM, down from 3.4 billion DM in May but up from 100 million DM a year earlier.

In Armonk, New York, IBM chairman Frank Cary said: "With all the public statements and publicity surrounding anti-trust activity in the United States, we understand why the EEC's commissioner in charge of competition policy would take this step. We believe that the inquiry will be fair and will confirm that IBM is in strict compliance with the rules of the EEC treaty."

FINANCIAL NEWS AND NOTES**Profits Rise 28 Per Cent in U.S.**

U.S. corporate profits in the second quarter of 1974 have jumped 28 per cent over the same period in 1973, according to a preliminary survey of 924 companies by First National City Bank. The same group of companies reported a 23 per cent increase in earnings in the first quarter of this year, Citibank says. The bank notes that it is highly unusual for corporate profit not only to stay strong but to accelerate their gains in a period when overall demand has been slipping. The dollar volume of sales has increased, but the advance appears largely, if not entirely, due to rising prices, the report says. Reports from 638 manufacturing companies showed a 34 per cent increase over last year's profits on a 20 per cent sales gain, with profit margins only slightly higher, 6.3 per cent versus 6.1 per cent per average sales dollar, Citibank adds.

U.S. Auto Sales Drop 26 Per Cent

Automakers reported that new-car sales in mid-July dropped 26 per cent from a year earlier, roughly matching declines in other recent periods. In the July 1-26 period, automakers sold 231,979 cars compared with 314,431 a year ago. Detroit analysts indicated results were in line with expectations and, according to one, "pretty much a continuation of the pattern of roughly the last two months. Analysts said large-car sales continued to show some recovery from the severely depressed levels earlier in the year, when

gas shortage fears caused many customers to shy away from buying larger models. At the same time, smaller models, particularly subcompacts, continued to have sales problems. So far in July, for example, sales of the subcompact Chevrolet Vega are down 61 per cent and Ford Pinto sales are down 45 per cent.

Toshiba Receives Kuwait Order

Tokyo Shinjuku Electric Co. has got a \$56.7-million order from the Kuwait government for four thermal power generating plants of 150,000 kilowatts each. They will be built at the Doha power station, south of Kuwait City, during 1977. The order was part of a \$72.3-million contract obtained jointly by Toshiba and Brown Boveri and Cie., which will supply a transformer plant.

Japan Firms to Get Canadian Coal

A group of five Japanese steelmakers has signed a contract with Gregg River Resources Co., of Canada, to import 1.5 million metric tons of coking coal a year from the Canadian firm over 15 years beginning in 1978. Nippon Kokan KK reports. The other Japanese firms are Nippon Steel, Kobe Steel, Kawasaki Steel, and Sumitomo Metal Industries. The contract calls for the Japanese to extend a \$20-million loan to Gregg River Resources for the development of coking coal deposits in Alberta. The loan will be paid back by the coal shipments.

About \$250 Million Reaches N.Y. Banks**Arabs Moving Into Long-Term Deposits**

NEW YORK, July 25 (AP-DJ).—An estimated \$250 million of longer-term deposits has flowed directly into major New York banks from oil-rich nations in recent months, according to John Waage, executive vice-president of Manufacturers Hanover Trust Co.'s international division.

Until recently the soaring oil revenues of these nations have been invested almost exclusively in the Eurodollar market abroad and in very short-term deposits and instruments.

So massive have those investments been that some banks began refusing them. The banks were, in effect, faced with taking short-term deposits to fund, or finance, long-term loans. The estimated \$250 million that has come into the New York banks is still only a trickle, Mr. Waage, addressing a press luncheon, estimated that about \$1 billion to \$1.5 billion of new "petrodollar" funds is available for investment each week.

Matching Terms

The trickle of funds is being placed in time deposits falling due in periods from six months to about five years, the Manufacturers Hanover executive stated. He said the bank is negotiating fixed interest rates on the long-term deposits. The executive added that the bank in such transactions attempts to match the deposit maturity and rate to new loans of comparable maturity.

In that way the bank is assured of a specified interest rate spread between the deposit and loan

for the term of the transactions, Mr. Waage said. He declined, however, to specify the amount of such deposits or the interest rates paid on them. On five-year deposits, he indicated, a 9 per cent figure might be in the ballpark. An 11 per cent interest charge on a matched loan could be a good example, he said. He would not identify the type of borrower, saying only they are "good credit-worthy entities."

Mr. Waage said the one reason the oil-producing nations are turning to longer-term deposits is the burdensome task they encountered in continually reinvesting massive funds placed in short-term investments.

The executive said about \$1 billion to \$2 billion a year of petrodollars could reach the U.S. banks in the form of long-term deposits. That is based on an estimate of about \$50 billion a year of new oil money, of which a major portion would probably be soaked up by various governmental actions, including the direct investment of funds into special U.S. Treasury securities.

Company Reports

American Electric Power		Signal Companies	
First Half	1974 1973	Second Quarter	1974 1973
Revenue (millions)...	583.29 465.16	Revenue (millions)...	430.6 386.0
Profits (millions)...	101.44 60.48	Profits (millions)...	20.94 12.49
Per Share	1.48 1.46	Per Share	0.92 0.94
Am. Smelting & Refining		Delta Air Lines	
Second Quarter	1974 1973	Fourth Quarter	1974 1973
Revenue (millions)...	395.0 273.9	Revenue (millions)...	243.0 286.2
Profits (millions)...	53.66 17.96	Profits (millions)...	29.98 29.88
Per Share	2.01 0.67	Per Share	1.16 1.03
Anaconda		INA	
Second Quarter	1974 1973	Second Quarter	1974 1973
Revenue (millions)...	488.9 522.2	Revenue (millions)...	587.2 568.1
Profits (millions)...	34.8 17.7	Profits (millions)...	25.99 20.1
Per Share	1.57 0.81	Per Share	1.13 1.27
Armco Steel		Northrop	
Second Quarter	1974 1973	Second Quarter	1974 1973
Revenue (millions)...	804.6 582.5	Revenue (millions)...	210.4 175.5
Profits (millions)...	48.2 37.5	Profits (millions)...	4.67 2.31
Per Share	1.38 0.98	Per Share	1.24 0.31
Ashland Oil		Phillips Petroleum	
Third Quarter	1974 1973	Second Quarter	1974 1973
Revenue (millions)...	977.6 977.7	Revenue (millions)...	1,322.6 938.6
Profits (millions)...	32.0 27.1	Profits (millions)...	123.8 44.4
Per Share	1.25 0.88	Per Share	1.59 0.51
Avon Products		Shell Oil Co.	
Second Quarter	1974 1973	Second Quarter	1974 1973
Revenue (millions)...	288.7 358.8	Revenue (millions)...	2,180.0 1,550.0
Profits (millions)...	23.5 29.8	Profits (millions)...	124.5 89.5
Per Share	0.40 0.50	Per Share	1.85 1.39
Belgian Price Increase		Washington Post	
In July Equals Record		Second Quarter	1974 1973
The Belgian retail price index equaled its monthly record increase of 1.8 points in July, jumping to 123.27 points.		Revenue (millions)...	74.1 83.4
The rise from July 1973 was 15.44 points, or 13.5 per cent.		Profits (millions)...	5.38 5.00
Minister of Economics Andre Oefse also announced today higher fuel prices from Aug. 1. Super grade gasoline will rise 6 centimes a liter, to 14.50 francs; lower-grade gas 18 centimes a liter, to 14.50 francs; and home fuel 12 centimes, to 4.40 francs.		Per Share	1.13 1.06

French Calm on Tax Proposal

By Carl Gewirtz

PARIS, July 25 (IFT).—New taxes are never popular, least of all in a country where evasion is a way of life.

But the news that Frenchmen will have to pay their first generalized capital gains tax within months was grudgingly accepted by professional money managers today as an inevitable part of modern society.

France is one of the few major industrialized countries which has taxed the long-term profits of individuals earned through the sale of personal assets—stocks, real estate, objects d'art and the like. The absence of such a tax has long been assailed by international economists as fostering the nation's glaringly unequal distribution of wealth.

The new government of President Valéry Giscard d'Estaing has been hinting broadly that a capital gains tax would be introduced today's news that he has selected the government to prepare legislation for the spring session of parliament came as no surprise.

However, bankers and econo-

mists were agreed that no meaningful comment could be made until the details of the new tax have been fixed.

"There's no point in getting excited now," said one banker. "It all depends on how it is assessed, on what the French will be like."

"First my clients have to make a gain, then they'll worry about the tax," growled another banker referring to the fact that prices on the Paris Bourse are down about 26 per cent from the high set earlier this year.

"The tax may be desirable in making the tax system more equitable," acknowledged another banker. "But a major question is what adjustments will be allowed for monetary erosion." Much of the capital gains earned is simply due to inflation which, he said, should not be taxed at the same rate as profits earned from what he called "pure speculation."

"It's a little paradoxical," he added, "that France is imposing a capital gains tax at a time when the United States is considering reducing its tax."

OECD Urges U.S. to Run Slack Economy

PARIS, July 25 (IFT).—U.S. wage earners who saw the purchasing power of their pay checks shrink as inflation mounted last year, will continue to suffer this year if the recommendations of the Organization for Economic Cooperation and Development are carried out.

In its annual economic review of the United States published today, the OECD insists that the most pressing problem is the "restoration of more stable prices" despite rising unemployment.

The report notes that U.S. controls were more successful in holding down wages than prices. "Indeed, hourly earnings rose less fast than consumer prices in the course of the year, creating a decline in real earnings."

Thus, it is to be expected that wage earners will be pressing for increases this year to make up for the decline in real income—and this, the OECD warns, threatens to set off a new round of price increases at a time when the major impetus for inflation, the boom in commodity prices, appears to be over.

To "phase out this catching-up process" of wages, the OECD recommends "maintaining a margin of slack during the period ahead." That is, keep the economy running below its full potential, which means a significant level of unemployment.

"A higher rate of unemployment is inevitable, there is no other choice for the moment," an OECD economist said in an interview. "There is no other way to calm inflation."

At the same time, the OECD report notes that a "serious U.S. recession would have important repercussions abroad. Countries with difficult balance-of-payments positions will be seeking to improve their current accounts by among other things, increased exports. A deep recession would demand picture in the United States would be an obstacle to this."

At present, however, it says that these domestic and inter-

national considerations "do not point immediately to any prescription for a change of policy."

The OECD expects the U.S. unemployment rate to rise to about 6.1 per cent this year while the real gross national product (without the distortions due to rising prices) "may be about 1.2 per cent lower than in 1973" and prices about 9 per cent higher. The OECD notes that official U.S. forecast is for zero growth in real GNP for the full year.

Wage Rise Report

WASHINGTON, July 25 (Reuters).—Wage settlements in the second quarter of this year moved

Citicorp Issue a Sell-Out; Savings Bank Plans Another

NEW YORK, July 25 (AP).—Flooding-rate notes, the latest wrinkle on Citicorp's plan to raise money, was announced yesterday even as investors snatched up the \$650 million in notes that Citicorp offered for sale.

The New York Bank for Savings said it planned to issue \$50 million of seven-year, floating-rate notes. Other mutual savings banks have criticized the Citicorp issue as a threat to their deposits.

The savings bank said the notes would carry 10 per cent through May 31, 1975, and thereafter would pay an interest 1.4 per cent above the three-month Treasury bill rate now at 7.6 per cent, but not less than 7.5 per cent. They would not be redeemable at par—the original price paid for the note—prior to Sept. 1.

Meanwhile, underwriters for the Citicorp notes, which have a guaranteed interest of 8.7 per cent through May 1975, said the issue was virtually sold out the moment it went on sale yesterday morning.

"We can't supply additional demand," said a spokesman for First Boston Corp., one of the underwriters. Many firms had received advanced indications from customers to buy.

Citicorp's notes cannot be redeemed at par for two years. The interest on the notes will float at one percentage point above the average rate charged for weekly Treasury bills after the guaranteed period of 9.7 per cent.

Banking Officials Say It Is Too Early to Tell Whether Citicorp Notes Have Drawn Money Out of Savings Accounts, But There Are Some Indications They Have.

Elliot Smith, of Bache & Co., said their New York office sold \$2 million in Citicorp notes, and salesmen there said 80 per cent of the money came from bank accounts.

A spokesman for the National Association of Mutual Savings Banks said between June 26 and July 15 sales from 17 large New York savings banks showed a net outflow of \$384 million in deposits.

Though the spokesman said "it is literally impossible to trace deposits," he said the banks had never had that kind of net outflow in that time period before.

Belgian Price Increase In July Equals Record

BRUSSELS, July 25 (AP-DJ).—The Belgian retail price index equaled its monthly record increase of 1.8 points in July, jumping to 123.27 points.

The rise from July 1973 was 15.44 points, or 13.5 per cent.

Minister of Economics Andre Oefse also announced today higher fuel prices from Aug. 1. Super grade gasoline will rise 6 centimes a liter, to 14.50 francs; lower-grade gas 18 centimes a liter, to 14.50 francs; and home fuel 12 centimes, to 4.40 francs.

The 3 outstanding advantages of 3-Way International Investment

3-Way International Investment is a concept pioneered in Britain by Tyndall, one of the leading investment groups in the U.K., which offers these advantages:

Your money is invested internationally 3 ways—in equities, properties and fixed interest securities.

2. You automatically get life assurance cover.

3. Being based on Bermuda, there are tax benefits.

Most investors do not have the experience, the knowledge or indeed sufficient funds to invest successfully on a worldwide basis. The Tyndall 3-Way Fund International now offers you a worldwide portfolio of expertly selected investments in equities, properties, and fixed interest securities. The proportions invested in each sector will be varied to make the most of changing investment prospects throughout the world, to achieve long-term capital growth.

Life Assurance and Taxation. Tyndall 3-Way Fund International is a life assurance fund with income reinvested. The minimum Single Premium is U.S. \$5,000. Or you may take out a regular monthly or annual Plan, minimum investment \$50 monthly or \$500 annually. Whichever way you choose to invest you will obtain life cover.

The Fund is not subject to taxation in Bermuda, although certain withholding taxes are deducted from income arising in some countries where investments are made.

The underlying investments are held by Tyndall International Assurance Limited which does not pay tax on income or capital gains and so the value of your investment can accumulate on an entirely tax free basis.

Tyndall 3-Way Fund International policies are issued by Tyndall International Assurance Limited, Bermuda. The Company is part of the Tyndall Group of companies which were started in 1962 by a firm of chartered accountants which has been established in Bristol, England since 1818. The Tyndall Group, with its Head Office in Bristol administers funds of approximately £150 million on behalf of more than 50,000 investors in the United Kingdom and overseas.

Tyndall 3-Way Fund International is just one of a wide range of international and U.K. investment services offered to investors throughout the world by Tyndall. For more information about this Fund—or any of our funds—simply send in the coupon below or write to our Manager, Anthony Cliff in Bermuda.

Tyndall**3-Way Fund International**

To: Tyndall International Assurance Ltd., P.O. Box 1256 Hamilton 5, Bermuda.

Please send me details of the above Fund.

Name

Address

U.S. Reported As in Surplus In Japan Trade

WASHINGTON, July 25 (AP-DJ).—For the first time in 10 years the United States is running a trade surplus with Japan, the United States-Japan Trade Council said yesterday.

During the first five months of 1974, the United States exported \$134 million worth of goods more to Japan than it imported, the trade council said. Last year at this time, the United States showed a \$886-million deficit in its trade with Japan.

Total exports to Japan from January through May were \$4.5 billion, up 41.3 per cent from the like period last year, the trade council said. Imports from Japan totaled \$4.4 billion, a 13 per cent increase from last year.

JET AVIATION

CHARTER Business, private, emergency and ambulance flights. Operating worldwide with BAC 1-11, Gulfstream II, Falcon Mystere Lear Jet, MU-2 Citation, Sabre, Luster, Piper.

MAINTENANCE Dependable service and maintenance for commercial, executive and private planes. Stations in Zurich, Geneva, Basel and Milan.

SPECIAL SERVICES Professional consulting aircraft appraisals, purchases, sales, leasing. Round-the-clock dispatch service out of Basel.

ZURICH-AIRPORT PHONE 01 8140114 TELEX 58188
BASEL-AIRPORT 061 443777 63133
GENEVA-AIRPORT 022 982270 22002
MILAN-AIRPORT 781494 32186

We Are Professionals in Aviation

JET AVIATION

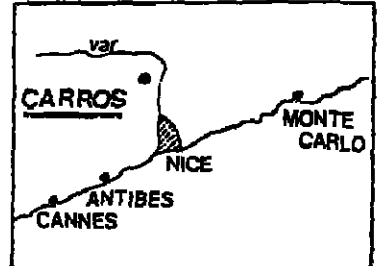
The Compagnie Internationale de Développement Industriel de Carros are currently developing one of the most attractive industrial zones in France.

NEW FACTORIES and WAREHOUSES
READY FOR OCCUPATION
from 400 sq.m. to 10,000 sq.m.

- can be leased or purchased and include the following features:
- Superb communications via national motorways;
- 15 minutes from Nice International Airport;
- Financial and fiscal aids;
- Rents from Fr. 72 per square meter;
- High specification;
- Minimum ceiling height 20 feet;
- Excellent local labour available.

Contact:

J.C. Etienne, Richard Ellis S.A., 17 Rue de la Banque à Paris, 225-27-80. Telex: 29378.
Or: Y. Loeuven, C.I.D.I.C. S.A., Carros Industrie 06510. (93) 08.15.98. Telex: 47332.



C.I.D.I.C.
Subsidiary of
HIGGS AND HILL LTD.

Stocks Drop On Wall St. in Dull Trading**But Bank Loan Report Likely to Boost Market**

NEW YORK, July 25 (AP-DJ).—Stocks closed lower at New York today after a day of uninspired trading.

The Dow Jones industrial average dropped 10.09 points to 795.88 with declining issues outnumbering advances by about 810 to 589.

Volume totaled 13.31 million shares compared with 12.57 million shares traded yesterday. The Dow average bounced upward briefly at the outset then began a steady slide till the close. Advancing issues outnumbered declines until about noon when they fell behind.

Brokers said the slide reflects an overbought condition brought on by the rise of about 18 points in the Dow average the first three days of this week.

Brokers also said many traders became convinced by advance remarks that President Nixon in his economic speech tonight would largely resort to "jawboning" instead of dealing with substantive issues.

In addition brokers said there was some hesitancy in anticipation of bank loan figures to be announced after the market closed.

The New York Federal Reserve Bank later reported that commercial and industrial loans at major New York City banks fell \$239 million in the week ended Wednesday.

That compared with a rise of \$221 million in the previous week and a gain of \$121 million in the week a year ago. The business loan decrease was the first following six consecutive weekly increases. The drop could be an indication that interest rates have peaked—and that would be a boost for the market.

ESB, the second most-active issue, gained 7 1/8 to 38 1/4 on a turnover of 435,000 shares. United Aircraft and International Nickel Co. of Canada are bidding against each other for ESB shares. Inco began the race last week with a bid of \$28. In a succession of bids the two companies raised the stakes to \$38 today, and after the market closed Inco again raised its bid, this time to \$41.

New York Stock Exchange Trading

[illegible]

U.S. Commodity Prices

NEW YORK, July 25.—Cash

prices in primary markets as re-

versed today in New York were:

Commodity and unit

Thur.

Year ago

FOODS

Cocoa Acra, B.....

1.08

1.05

Goffee & Santos, B.....

.58

.69

TEXTILES

Printcloth 94-50 36½, 74.....

34½

.31

METALS

Steel plates (Pitt.), ton.....

130.00

225.00

Iron & P. Perry, Phila., ton.....

131.20

210.00

Lead, Sp. N. York, 112-120.....

53.34

53.34

Disc. spot, N. York.....

54.48

1.85

Copper disc, B.....

8.43½

7.70

Spot (Pitt.), B.....

8.43½

7.70

Stp. & S. L. basis, B.....

3.3-4.0

2.0-2.1

Silver N. Y., oz.....

4.575

COMMODITY INDEXES

Woolly's index (base 100

Dec 31, 1931).....

82.6

641.4

* Nominal. + Added

NEW YORK FUTURES

July 25, 1974

Wool SUGAR No. 11

Aug

26.28

26.88

26.98-27.20

Oct

26.83

26.65

26.60-27.00

Nov

24.83

22.25

22.50-30

Dec

25.70

21.25

21.50-30

Jan

21.40

20.10

20.20-30

May

20.50

18.40

18.40-20

Sep

19.90

18.20

18.40-20

Oct

17.05

17.20

17.40-20

WOL

Oct

144.5

144.5

143.0

Dec

145.0

145.0

145.0

Mar

146.0

144.5

144.0

COCOA

Stp

83.05

84.05

81.60

Dec

72.45

71.91

71.90

Mar

68.00

68.00

67.25

May

45.10

44.25

44.25

Jul

42.00

42.00

COPPER

Sep

91.20

92.00

87.00

Aug

90.60

88.70

89.00

Dec

91.30

88.20

89.00

Mar

90.00

87.00

87.00

May

92.10

89.30

90.00

Jul

90.70

89.00

POTATO

Nov

5.56

5.12

5.22

Jan

5.69

5.60

5.62

Mar

6.58

6.65

6.22

May

7.06

6.55

7.00

Jul

8.13

7.46

7.90

SILVER

Jul

492.70

487.00

491.50

Aug

493.20

485.00

492.50

Sep

499.10

488.00

498.50

Dec

512.00

508.00

512.00

Jan

516.50

508.00

516.50

Mar

524.00

514.00

524.00

May

530.00

512.50

530.00

Jul

536.00

529.40

540.00

Sep

542.80

533.70

542.80

ORANGE JUICE

Aug

54.00

54.00

53.25

562.80

53.75

Nov

55.50

55.00

54.75

543.00

55.00

Dec

56.00

55.00

54.75

545.00

56.00

Jan

57.65

57.65

56.75

556.50

57.10

May

57.00

57.00

56.00

557.00

57.00

Jul

58.40

58.40

56.50

559.25

58.95

JUN

Aug

49.00

49.00

49.00

49.00

Jan

49.00

49.00

49.00

49.00

Sales: Aug 2078; Oct 5778; Dec

Feb 505; April 200; June 105; Aug 16

SHELL EGGS

Aug

47.25

46.75

47.65

Oct

57.25

56.80

56.15

Feb

61.00

60.15

60.90

Dec

63.55

63.25

62.90

Jan

61.50

62.65

61.40

Mar

58.26

57.00

56.00

Sales: Aug 11; Sep 1012; Oct 42

Dec 246; Jan 11; Feb 19.

LIVE HOGS

Aug

39.70

40.50

39.70

39.75

Oct

40.20

40.70

39.75

39.75

Dec

43.85

42.85

43.85

Aug

44.60

45.95

45.00

45.70

Dec

44.75

44.25

44.55

44.50

Jan

42.25

42.25

42.25

42.25

Jul

48.25

48.50

48.25

48.50

Sales: Aug 1182; Oct 1950; Dec

Feb 545; April 208; June 175; July

FROZEN PORK BELLIES

Aug

55.40

55.40

55.40

55.40

Feb

60.65

60.65

60.65

60.65

Mar

63.20

62.20

62.20

62.20

May

61.00

61.00

61.00

61.00

Jul

61.10

61.10

61.10

61.10

Sales: Aug 7; Feb 5; March 21

--- July 1.

Open interest: July 54; Aug 168

1931; March 54; May 224; July 193

B-Bid; A-Asked; N-Nominal.

Market Summary

[illegible]

15%	8%	Gulf	Resource
21%	71%	GfR	ptA.20
27%	13%	GfR	pfB1.30

[illegible]

Tokyo Exchange		
July 25, 1974		
	Price Yen	
hi Ghaas	277	Matsumoto E. Wks.
on	250	Mitsubishi Hyv. Ind.

Dei Nip. Print.	329	Mitsubi Corp.	420
Fuji Bank	415	Mitsui Co.	448
Fuji Photo	411	Mitsubishi	472
Huani	132	Nippon Elec.	295
Honda Motor	639	Sharp	202
C. Hoch	680	Shiseido	815
Japan Air L.	1740	Sony Corp.	1,420
Kansai El. P.	695	Sumitomo Bk.	490
Kao Soap	319	Taishe Marine	295
Kirin Brewery	253	Takeda Chem.	295
Komatsu	333	Tatsumi	238
Kubota	333	Tokio Marine	511
Nakisu E. Ind.	642	Toray	418
		Toyota Motor	

ADVERTISEMENT

**PHOENIX ASSURANCE
COMPANY LIMITED**
(CDR's)

The undersigned announces that as from July 23rd, 1974, a final dividend for the financial year 1973 of Dfls. 11.85 net will be paid on dir. cap. No. 1 of the CDR's Phoenix Assurance Company Ltd., each repr. 50 shs of 25p, at the office of Kas-Associatie N.V., Beuststraat 17a, Amsterdam. The credit 91p (Dfls. 5.77) per CDR.

Non-British CDR-holders will not be entitled to receive the benefits of this imputed tax credit as long as the tax convention between their country and the U.K. has not been brought into agreement with the Finance Act, 1973, of the United Kingdom.

**AMSTERDAM DEPOSITARY
COMPANY N.V.**
Amsterdam, July 19th, 1974.

Oct	60.50	61.90	58.20	a58.20	-20
Dec	58.85	59.80	56.52	a56.52	-20
Mar	59.50	60.40	57.05	a57.05	-20

[illegible]

		Open	High	Low
70	Ind	804.52	807.65	799.05

[illegible]

203	63%	57%	6	—	14	70
179	18	76%	17	+	34	16
1	101%	10	103%	+	14	20

[illegible]

22%	15	Marriot	52
27%	154	Marshall	1.24
19%	139	Martins	1.28

2000	1914	McDonald	57	28	19	20	19
2001	1915	McDonald	57	28	19	20	19
2002	1916	McDonald	57	28	19	20	19
2003	1917	McDonald	57	28	19	20	19
2004	1918	McDonald	57	28	19	20	19
2005	1919	McDonald	57	28	19	20	19
2006	1920	McDonald	57	28	19	20	19
2007	1921	McDonald	57	28	19	20	19
2008	1922	McDonald	57	28	19	20	19
2009	1923	McDonald	57	28	19	20	19
2010	1924	McDonald	57	28	19	20	19
2011	1925	McDonald	57	28	19	20	19
2012	1926	McDonald	57	28	19	20	19
2013	1927	McDonald	57	28	19	20	19
2014	1928	McDonald	57	28	19	20	19
2015	1929	McDonald	57	28	19	20	19
2016	1930	McDonald	57	28	19	20	19
2017	1931	McDonald	57	28	19	20	19
2018	1932	McDonald	57	28	19	20	19
2019	1933	McDonald	57	28	19	20	19
2020	1934	McDonald	57	28	19	20	19
2021	1935	McDonald	57	28	19	20	19
2022	1936	McDonald	57	28	19	20	19
2023	1937	McDonald	57	28	19	20	19
2024	1938	McDonald	57	28	19	20	19
2025	1939	McDonald	57	28	19	20	19
2026	1940	McDonald	57	28	19	20	19
2027	1941	McDonald	57	28	19	20	19
2028	1942	McDonald	57	28	19	20	19
2029	1943	McDonald	57	28	19	20	19
2030	1944	McDonald	57	28	19	20	19
2031	1945	McDonald	57	28	19	20	19
2032	1946	McDonald	57	28	19	20	19
2033	1947	McDonald	57	28	19	20	19
2034	1948	McDonald	57	28	19	20	19
2035	1949	McDonald	57	28	19	20	19
2036	1950	McDonald	57	28	19	20	19
2037	1951	McDonald	57	28	19	20	19
2038	1952	McDonald	57	28	19	20	19
2039	1953	McDonald	57	28	19	20	19
2040	1954	McDonald	57	28	19	20	19
2041	1955	McDonald	57	28	19	20	19
2042	1956	McDonald	57	28	19	20	19
2043	1957	McDonald	57	28	19	20	19
2044	1958	McDonald	57	28	19	20	19
2045	1959	McDonald	57	28	19	20	19
2046	1960	McDonald	57	28	19	20	19
2047	1961	McDonald	57	28	19	20	19
2048	1962	McDonald	57	28	19	20	19
2049	1963	McDonald	57	28	19	20	19
2050	1964	McDonald	57	28	19	20	19
2051	1965	McDonald	57	28	19	20	19
2052	1966	McDonald	57	28	19	20	19
2053	1967	McDonald	57	28	19	20	19
2054	1968	McDonald	57	28	19	20	19
2055	1969	McDonald	57	28	19	20	19
2056	1970	McDonald	57	28	19	20	19
2057	1971	McDonald	57	28	19	20	19
2058	1972	McDonald	57	28	19	20	19
2059	1973	McDonald	57	28	19	20	19
2060	1974	McDonald	57	28	19	20	19
2061	1975	McDonald	57	28	19	20	19
2062	1976	McDonald	57	28	19	20	

١٥٥

New York Stock Exchange Trading

[illegible]

Performance with Economy the Key to BMW's continuing Success

Despite the considerable difficulties encountered by the World's automotive industries during the last two months of 1973, BMW's results for the completed business year again confirm the outstanding performance of the marque throughout the World. Turnover rose by 12.5% to DM 2,608 million and net earnings reached a new high of DM 93.2 million.

BMW car production increased by 8%, more than double the German average, although motorcycle production was slightly down by just 1.3% — the result of re-tooling prior to the introduction of the new model series.

The problems common to all manufacturers at this time have nevertheless shown how well the BMW range suits world markets, especially when measured by performance and fuel economy. The 54th AGM, held in Munich on July 4, 1974, approved an increased dividend of DM 9.— (18%) per DM 50.— share payable from the balance sheet profit of DM 49.8 million. In January 1974 the capital was increased by a further DM 25 million to DM 300 million.

1973 marked both the opening of the additional BMW plant in Dingolfing, where the 520/525 series is produced, and the fiftieth anniversary

of BMW's motorcycle production – in June 1973 the 500,000th motorcycle left the Berlin-Spandau plant.

Research and Development

BMW's successes in the field of active safety – using its vast experience gathered in the sporting arena – have now been followed by increased concentration on passive safety, i.e. the protection of driver and passengers in the event of a collision. The fuel economy of BMW power units is also under continuous improvement.

Production

Including CKD units for assembly abroad, BMW production reached 197,466 automobiles, while motorcycle output remained more or less constant at 20,856 units. The new "76"-motorcycle series has been in production since late 1973, while assembly of the new BMW 525 and the 520 series has been concentrated in the recently completed Dingolfing plant.

Sales

The strong export situation was wholly responsible for the increase of 4.8% in total car sales and, for the first time, more units were sold abroad than in the home market. During the last

two months of 1973 when domestic demand slackened so much, BMW was able to concentrate on satisfying foreign orders — export earnings rose by 21.3% and the overall share of exports in total turnover reached 46.2%.

In line with the goal to increase market penetration and coordinated policy, BMW is now represented by wholly owned subsidiaries in France, South Africa, Belgium and Italy.

Motor Sport

The first full year's activities of BMW Motorsport GmbH marked one of the most successful seasons in the Company's impressive competitive history, crowned by one world championship and three major European titles.

Outlook

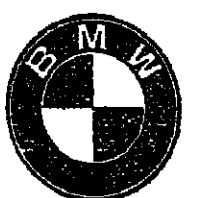
The early part of 1974 was accompanied by only a very hesitant improvement in sales, so that some short-time working in February was unavoidable. From March onward a gradual growth in sales became noticeable, but these have not yet quite attained the previous year's level. BMW's task in the months ahead will be to make up the ground lost through the energy crisis.

Automobile and Motorcycle Sales

	DOMESTIC		FOREIGN	
	1973	1972	1973	1972
1602/1802/2002 touring	53,263	66,190	51,683	59,442
1800/2000 520/525	26,676	10,393	21,097	4,731
2500/2800 3.0 S/3.0 CS	15,616	19,199	25,643	25,233
Total Car sales	95,555	95,782	98,423	89,406
Motorcycles	6,368	5,499	13,550	15,546

**For more detailed information about BMW
and its performance in 1973 please contact**

Bayerische Motoren Werke AG
Ressort Finanzen
8000 München 40, Postfach 40 02 40, Germany



Bayerische Motoren Werke Aktiengesellschaft · Munich

